

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES,

TRANSMITTING,

In compliance with a resolution of the Senate, copies of correspondence touching the origin, progress, and conclusion of the late convention between the United States and the Kingdom of Sardinia.

SEPTEMBER 13, 1841.—Read.

FEBRUARY 9, 1846.—Ordered to be printed.

To the Senate of the United States:

In compliance with a resolution of the Senate of the 14th July last, I communicate to the Senate a report from the Secretary of State, accompanied by copies of the correspondence called for by said resolution.

JOHN TYLER.

WASHINGTON, September 13, 1841.

DEPARTMENT OF STATE,
Washington, September 9, 1841.

The Secretary of State, to whom has been referred a resolution of the Senate, dated on the 24th July last, requesting him to communicate to that body the correspondence between the late special agent of the United States to Sardinia and the Department of State, touching the origin, progress, and conclusion of the late convention between that kingdom and the United States; also, all consular and other official correspondence in regard to the execution of the said treaty, has the honor to report the accompanying copies and extracts of correspondence, embracing all the information on file in this department which the resolution seeks.

DANL. WEBSTER.

To the PRESIDENT.

List of accompanying papers, &c.

SARDINIA.

- Mr. Niles to Mr. Forsyth, (with enclosures,) 18th February, 1838.
 Mr. Forsyth to Mr. Niles, 2d May, 1838.
 Mr. Niles to Mr. Forsyth, 26th September, 1838.
 Mr. Niles to Mr. Forsyth, (with enclosures,) 8th October, 1838.
 Mr. Niles to Mr. Forsyth, (with enclosures,) 11th October, 1838.
 Mr. Niles to Mr. Forsyth, (with enclosures,) 1st December, 1838.
 Mr. Niles to Mr. Forsyth, (extracts,) 14th May, 1839.
 Mr. Niles to Mr. Forsyth, (extract,) 29th July, 1839.
 Mr. Forsyth to Mr. Rogers, 6th June, 1840.
 Count Colobiano to Mr. Forsyth, (with memorandum,) 6th June, 1840.
 Mr. Forsyth to Count Colobiano, (with memorandum,) 10th June, 1840.

Correspondence of the Consulate at Genoa.

- Mr. Campbell to Mr. Forsyth, (extract,) 20th December, 1838.
 Mr. Campbell to Mr. Forsyth, (extract,) 31st July, 1839.
 Mr. Campbell to Mr. Forsyth, (with enclosures,) 2d November, 1839.
 Mr. Campbell to Mr. Forsyth, (extract, with enclosures,) 14th December, 1839.
 Mr. Crokat to Mr. Forsyth, (extract,) 15th May, 1840.
 Mr. Crokat to Mr. Forsyth, (extract,) 10th July, 1840.
 Mr. Crokat to Mr. Forsyth, (extract,) 10th January, 1841.

Mr. Niles to Mr. Forsyth.

VIENNA, *February 18, 1838.*

SIR: I have the honor to enclose a correspondence with the Count de Sambuy, envoy extraordinary and minister plenipotentiary of his Majesty the King of Sardinia, which, as you will perceive, originated in a private conversation between that gentleman and myself, on the mutual advantages which our respective countries would derive from the establishment of permanent diplomatic relations between them. The count informed me that the growth of tobacco is every where prohibited in the territories of his Sardinian Majesty; that a large revenue is raised by the government monopoly of the manufacture and sale of this article; and that hitherto Sardinia has drawn her supplies of the tobacco leaf from countries where she finds little or no outlet for Sardinian manufactured articles, or the products of her soil. He also informed me that the supplies of fish for the markets of his country were chiefly drawn from the Mediterranean, and of a very bad quality; that there could be little doubt an extensive market for our fish and other products of our fisheries, could be found in Sardinia, if steps were taken to ascertain the nature of the obstacles which have thus far prevented any considerable commerce between the two states. It appears, also, that Sardinia, which forms by far the most enlightened, active, and wealthy population of any of the independent states of Italy, is making considerable advances in manufacturing industry. Already she has some very large establishments for the manufacture of silk and cotton, particularly plain silks, which are sent to the United States through Lyons and Havre, in transitu, to the amount of many millions of francs. A single establishment, the largest in the world, at Fauverges, in Savoy, employing more than three thousand hands, is now, and has been for many years, exclusively occupied in the supply of plain silks for the New York market.

Sardinia produces great quantities of the best qualities of olive oil. Genoa, which is the fifth city in the world for the number of its vessels and the amount of their tonnage, (I quote the authority of Balbi,) has an extensive trade with the Black sea, the Levant, and all the Oriental ports, from whence the raw and manufactured products of these countries are brought.

Notwithstanding Sardinia wants our fish, our whale oil, seal skins, spermaceti, and spermaceti candles, whalebone, cotton, tobacco, the mahogany and other ornamental woods of Central and South America, the teas and manufactures of India and China—notwithstanding we want her oils, her own and the fruits and manufactures of the remote countries of the east, yet we have little or no direct commerce with Sardinia, except in supplying her with pepper and spices. What commerce we have, with this exception, is to our disadvantage, since we receive her manufactured silks to the amount of many millions a year, and supply nothing at all, directly the growth of our soil, or the produce of our industry.

I pointed out to the minister, in the conversation to which I have already alluded, the advantages which both our countries would derive from the removal of the existing barriers, whatever they might be, in the way of an exchange of our respective products; that, as the matter now stands, we have in reality a claim on Sardinia to do something for our trade, as an equivalent for the large amount of silks of her growth and manufacture, which have been annually consumed in the United States for many years

past; that since his government had no interest in the cultivation of tobacco, and was, of course, free to choose its supplies wherever it pleased, it was but just that it should receive a large portion, at least, from the United States, which is even now, after France, probably its largest customer. This conversation, which I will state was wholly, on my part, personal and individual, the minister thought it his duty, from its important bearing on the commercial interests of his country, to communicate, in detail, to his government, which (I judge from the form of the replies sent to this minister) thought I might have been instructed to use the arguments and language transmitted through the Count de Sambuy to it. The eagerness with which both the King and his minister seized on the idea of opening diplomatic relations with the expressed view to encourage a commerce with us, affords a reasonable ground to believe that the absolute authority with which the Sardinian government is clothed, will be directed to the accomplishment of the object, whenever diplomatic relations may be established between the two countries.

Sardinia has a population of I believe a little more than five millions of inhabitants, including the islands.

I have thought it my duty to communicate this correspondence to your excellency without delay.

With sentiments of the highest consideration, I have the honor to be, your obedient servant,

NATHANIEL NILES.

His Excellency the Hon. JOHN FORSYTH,
Secretary of State.

A translation of the Count Solar de Marguerite's despatch of the 1st February, to the Count de Sambuy.

MONSIEUR LE COMTE: I have just received the despatch which you have done me the honor to address to me the 26th of January, No. 442, as well as the envelope from Constantinople, which came with it. I have read, with all the interest it merits, the subject of it, viz: the report which you have had the goodness to give me, in the beforementioned despatch, of the conversation you have had with Mr. Niles, diplomatic agent of the United States of America.

In acknowledging the justness of the observations which you thought proper to present to Mr. Niles, I nevertheless think, that the suggestion which he has been charged to make to us is of a nature to be acceded to. Not having yet been able to take the orders of the King, I have not now the power to inform you what may be the dispositions of his Majesty in regard to this subject; but you may at once, Monsieur le Comte, say to Mr. Niles, that, individually, I am of the opinion that the establishment of diplomatic relations between the United States and those of his Majesty, by means of a reciprocal mission, cannot, in effect, but turn to the commercial advantage of the two countries.

This, however, is only my personal opinion; but I shall hasten to submit the subject to the King, and will not delay to inform him, by your intermediary, of the intentions which his Majesty may be pleased to manifest in this regard.

Accept, Monsieur le Comte, &c., &c.

Extract of a despatch of Count Solar de la Marguerite to Count Sambuy, of the 3d February, 1838.

Upon the report which I have had the honor to submit to the King, relative to the suggestion which Mr. Niles, diplomatic agent of the United States, lately made to you, and which forms the principal object of your despatch of the 26th of January, No. 442, his Majesty accedes to the idea of a reciprocal establishment of a mission with that country.

His Majesty considers that no other than advantageous effects can result to the two states from such relations between them, and that he will, consequently, be perfectly disposed to carry this project into effect as soon as the government of the United States shall make known its desire in this respect, in a more positive manner. You will then, M. le Comte, be pleased to inform Mr. Niles of his Majesty's dispositions, and thus complete the provisional answer which you were charged to give him by my despatch of the day before yesterday.

DE SAMBUY.

Dépêche du Comte Solar de la Marguerite au Comte de Sambuy, en date du 1er Février, 1838.

MONSIEUR LE COMTE: Je viens de recevoir la dépêche que vous m'avez fait l'honneur de m'adresser le 26 Janvier dernier, No. 442, ainsi que le pli de Constantinople qui y était annexé. J'ai lu, avec tout l'intérêt que mérite son objet, le rapport que vous avez bien voulu me faire dans votre dépêche précitée de l'entretien que vous avez eu avec Mr. Niles, agent diplomatique des Etats Unis d'Amérique.

Tout en reconnaissant la justesse des observations que vous avez cru devoir présenter à Mr. Niles, je ne pense pas moins que l'ouverture qu'il a été chargé de nous faire est de nature à être accueillie. N'ayant pu encore prendre les ordres du Roi, je ne suis pas à même de vous faire connaître aujourd'hui les dispositions dans lesquelles sa Majesté serait à ce sujet; mais vous pouvez dès à présent, Monsieur le Comte, dire à Mr. Niles, qu'en mon particulier je crois que l'établissement de relations diplomatiques entre les Etats-Unis et ceux de S. M., au moyen d'une mission réciproque, ne pourrait effectivement que tourner aussi à l'avantage commercial de deux pays; qui, cependant, ce n'est là que mon opinion personnelle; mais que je m'empresserai de soumettre la chose au Roi, et que je ne tarderai pas à lui faire connaître par votre intermédiaire les intentions que S. M. aura déigné me manifester à cet égard.

Agréé, Monsieur le Comte, &c.

Extrait de dépêche du Comte Solar de la Marguerite au Comte de Sambuy, en date du 3 Février, 1838.

Sur le rapport que j'ai eu l'honneur de soumettre au Roi relativement à l'ouverture que Mr. Niles, agent diplomatique des Etats-Unis d'Amérique, vous a faite dernièrement, et qui forme le principal objet de votre dépêche du 26 Janvier, No. 442, S. M. a accueilli l'idée de l'établissement reci-

proque d'une mission diplomatique avec ce pays. Elle a jugé qu'il ne pourrait en résulter que des effets avantageux pour les relations des deux états; et elle serait par conséquent tout-à-fait disposée à effectuer ce projet, aussitôt que le gouvernement des Etats-Unis ferait connaître plus positivement son désir à cet égard. Vous voudrez donc bien, Monsieur le Comte, en informer Mr. Niles, et compléter ainsi le réponse provisoire que vous aviez été chargé de lui donner par ma dépêche d'avant hier.

No. 1563.

DE SAMBUY.

Translation of the Count de Sambuy's letter to Mr. Niles.

VIENNA, February 13, 1838.

SIR: The conversations which we had together in regard to the advantage which our two governments would reciprocally derive from the establishment of diplomatic relations with each other, having appeared to me of so much importance as properly to draw the attention of the King, my august master, I thought it my duty to make a report of it to the minister of foreign affairs, whom I addressed on the 26th of January last.

The Count Solar de la Marguerite received my letter on the 1st instant, and replied to me immediately by the return post of the same day, in the despatch under that date, of which I have the honor to transmit herewith a copy, with a view of communicating to me his personal opinion on this subject, before even taking the orders of the King. The second day after, the same minister, having already received the commands of his Majesty, transmitted to me the expression of his best dispositions on the case, by a despatch, of which I have the honor, also, to transmit you an extract, in which you will see that the King is favorably disposed to effect, reciprocally, the establishment of a diplomatic mission as soon as your government shall make known its wishes, in regard to this subject, in a more positive manner.

You will, doubtless, remark with satisfaction, sir, the eagerness with which my court seized the idea produced by our conversation on the reciprocal advantages of a direct commerce between our two countries; and that it has formally expressed its good-will to proceed to the establishment of this new mission, without even previously consulting either the minister of finances or the council of state, so obvious have appeared the advantages. You will judge, sir, by that, of our urgent desire to concur in all the measures which may be of common utility to the two countries if your government is equally disposed to co-operate on its part.

Be pleased to accept, &c.,

DE SAMBUY.

VIENNE, 13 Février, 1838.

MONSIEUR: Les entretiens que nous avons eu ensemble à l'égard de la convenance réciproque que nos deux gouvernemens trouveraient à établir des missions diplomatiques dans les deux états respectifs, ayant paru d'une telle importance à devoir attirer l'attention du Roi mon auguste maître, j'ai cru de mon devoir d'en faire un rapport à son ministre des affaires étrangères, que j'ai lui adressé le 26 Janvier dernier.

Le Comte Solar de la Marguerite l'a reçu le 1er de ce mois, et m'a ré-

pondu immédiatement, post courante, la dépêche sous cette date, dont j'ai l'honneur de vous transmettre ci-joint une copie, pour me faire connaître son opinion personnelle à ce sujet avant d'avoir pris les ordres du Roi.

Sur lendemain, le 3 courante, le même ministre, ayant déjà pris les ordres de S. M., m'a transmis l'expression de ses dispositions bienveillantes à propos par une dépêche dont j'ai l'honneur de vous transmettre également ci-joint un extrait, et où vous verrez que le Roi est favorablement disposé à effectuer l'établissement réciproque d'une mission diplomatique aussitôt que votre gouvernement fera connaître plus positivement son désir à cet égard.

Vous remarquerez, sans doute, avec satisfaction, monsieur, l'empressement avec lequel ma cour a accueilli l'idée produite par nos entretiens sur les avantages réciproques du commerce direct entre nos deux pays, et qu'elle a exprimé formellement sa bonne volonté de procéder à l'établissement de cette nouvelle mission, sans avoir même consulté préalablement ni le ministère des finances, ni le conseil d'état.

Vous jugerez par là, monsieur, de notre empressement à concourir à toutes les mesures qui peuvent être d'une utilité commune, si votre gouvernement est également disposé à coopérer de son côté.

Veuillez agréer, monsieur, les assurances de la considération distinguée avec laquelle j'ai l'honneur d'être, monsieur,

Votre très humble et tien,

DE SAMBUY.

À Monsieur NILES,

Agent Diplomatique des Etats-Unis d'Amérique.

A translation of Mr. Niles's answer to the Count de Sambuy, dated February 16.

MONSIEUR LE COMTE: I have the honor to acknowledge the receipt of the letter you were good enough to write me on the 13th instant; by which you inform me of the steps you thought it your duty to take apropos of the private conversation we had together on the 25th ultimo, at a court ball, and the impression which your report of this conversation has made on your government, communicated to your excellency in two despatches, of the 1st and 3d of this month, copies of which you have had the kindness to send me.

I shall not fail, sir, to transmit to my government, by the first opportunity, the two despatches referred to, as well as your excellency's letter to me; and, in my opinion, there is no doubt that the President of the United States will see with pleasure the evidence which they contain of the disposition of the King of Sardinia to favor the development of commerce between our two countries, essentially maritime and commercial, whose respective products are so different and so various, and, consequently fitted to supply the wants of each; and that on his side he will be equally disposed to second all the measures which may be necessary to effect the establishment of diplomatic relations with his Sardinian Majesty, in the common interest of commerce between the two states, which cannot be otherwise but reciprocally advantageous.

Be pleased, Monsieur le Comte, to receive the assurances of the high consideration with which I have the honor to be,

Your obedient servant,

N. NILES.

Mr. Forsyth to Mr. Niles.

DEPARTMENT OF STATE,
Washington, 2d May, 1838.

SIR: Your communication of the 18th of February has been received, stating the substance of a conversation you had held with the Count de Sambuy, E. E. and M. P. of his Catholic Majesty the King of Sardinia, at Vienna, in relation to the trade in tobacco, and to the commercial intercourse generally, which might be carried on between the United States and that country; and enclosing a copy of a correspondence which had passed between you in regard to the advantages in those respects which the respective countries would derive from the establishment of permanent diplomatic relations between them.

I am directed by the President, to whom your letter has been submitted, to inform you that, in consequence of the information thus communicated, it is his wish that you should repair to Sardinia, and endeavor to conclude a commercial arrangement, securing upon the most advantageous terms the admission of American tobacco into the ports of that country, and, if practicable, to extend it so as to embrace the general trade between the two nations.

This government having no political relations of importance with that kingdom, does not now send a diplomatic representation, although such a step may naturally follow the successful negotiation of a commercial treaty.

You will proceed to Sardinia, for the purpose just mentioned, immediately after the arrival of Mr. Muhlenberg at Vienna. Your salary, as tobacco agent, will be continued while you are employed in the execution of these instructions; but the President directs that the business shall not be permitted to occupy a longer period than three months, that being deemed sufficient time to finish your negotiation, if the Sardinian government is inclined promptly to enter into it. In any arrangement which you may form, you will observe the instructions which were given you upon your appointment as agent to Austria, so far as they may be applicable, being careful not to enter into any stipulations which may interfere with the existing obligations of the United States to other countries.

I transmit a power to form a treaty with the Kingdom of Sardinia, upon the subjects above referred to.

I am, sir, your obedient servant,

JOHN FORSYTH.

To NATHANIEL NILES, *Vienna.*

Mr. Niles to Mr. Forsyth.

TURIN, September 26, 1838.

SIR: In compliance with the instructions contained in your despatch of the second of May, I set out for this place immediately on learning that Mr. Muhlenberg had arrived at Vienna; and, after a journey by easy stages of sixteen days, accompanied by my family, I reached this city on the fifth instant.

Count Solar de la Marguerite, first secretary of state for foreign affairs, was absent on a tour in Switzerland, and did not return until the twelfth. On the following day I addressed him a note, soliciting the honor of an interview at such time as it might be agreeable to him to receive me. An

immediate reply informed me that the minister would be happy to receive me on the following day. At the hour appointed I presented myself at the minister's official residence, and was received by him in the most affable and satisfactory manner. He was apparently gratified at the business-like manner in which the *power* which I handed him (not having been provided with any other means of approaching this government officially) brought me at once into relations with him in reference to the commercial interests of our respective countries.

In the course of a general conversation, I drew the attention of the minister to the leading features of the existing commerce between the United States and Sardinia, as far as they were known to me, particularly to the export trade in the article of silks, which is annually sent to the United States, as nearly as I have been able to learn, to the amount of about eight millions of francs; while neither the employment of our navigation, nor the supply of our products for the consumption of this country, apparently furnishes any equivalent advantage for so important and steady an outlet for the manufactures of Savoy. The count expressed his ignorance of the causes which had so much limited the arrival of American products directly from our shores to Genoa and other Sardinian ports; but seemed to think that there must be a considerable consumption of them arriving from the United States through indirect channels. To remedy this presumed state of things so disadvantageous to the navigation of the two countries, and to equalize and extend the trade between them, were objects in the pursuit of which, he assured me, I might depend on his cordial co-operation. That I might the more easily and promptly comprehend the condition of the commercial affairs of the kingdom, he proposed to place me in official relationship with the minister of finances, the Count Galena, who unites in that character the functions of a minister of commerce; and, also, with the minister of war and of the navy, the Chevalier Villa Marina, under whose general supervision quarantine and other port regulations are placed.

On the same occasion the minister proposed my being presented to his sovereign, Charles Albert, on the return of his Majesty from the military reviews and exercises then going on in camp, at some distance from the capital. On the morning of the 17th, the King returned to town, and I had the honor of being received by him at 4 o'clock, p. m., on the same day.

The King expressed his satisfaction at receiving me as a diplomatic agent of the United States; in the government, institutions, and prosperity of which, he avowed the greatest interest. He desired me to let it be known to the President, that he was ready to enter into treaty relations with the United States, and by every other means to cultivate and enlarge the commerce between his states and those of the American Union.

I assured his Majesty that all the friendly sentiments which he had expressed toward my country and its government, as well as in regard to commerce, were fully reciprocated by the President, who had no higher wish than to cherish, by all the means in his power, those mutually beneficial commercial relations and exchanges with all nations, particularly with Sardinia, which tended so much to augment the wealth of nations and diffuse general individual prosperity.

I had not less reason to be satisfied with the opinions and sentiments evinced by Count Galena and the Chevalier Villa Marina.

With the first named of these gentlemen, I discoursed at length on the subject of the export trade in silks carried on from this country for so many

years to the United States, and pointed out to him the immensely beneficial effects which our policy in admitting all kinds of silk manufactures free of duty has long had upon the prosperity of his country, not only by the direct supply of our markets with the manufactured article to a great and constantly increasing amount, but also as a grower of the raw material, which is annually exported to France and other countries to the value of about *fifty millions of francs*, and there fabricated, in no inconsiderable measure, for the consumption of the United States.

It has been my object, in the first place, fully to impress this government with the great value of the American markets under our present liberal policy, with the hope of being able the more readily to bring it to the adoption of such measures as will be most apt to insure its continuance as to this country, by rendering the advantages which it now enjoys from that policy reciprocal to both countries.

From the minister of finances I learned the existence of differential tonnage duties and other disadvantages to which foreign shipping is subjected in the port of Genoa. These embarrassments to trade the minister expressed his own willingness to abandon, but at the same time he pointed out the difficulties to be encountered at Genoa, where strong prejudices and private interests still exist in favor of their continuance, although there were, he said, other interests and parties as urgently desirous of seeing them given up.

In my first interview with the Chevalier Villa Marina, I invited his attention to the quarantine regulations as probably presenting the most effective and irresistible obstacle, in the way of a large direct trade between the United States and Genoa.

This minister informed me that the Central government had only a very indirect influence over the local authorities at Genoa, to whom the sanitary regulations of that port had always been confided; that he had himself seen with regret an apparent disposition to adhere to the old system, erroneous as it evidently was, in his own opinion; that he had recently pointed out to the board of health the fatal effects which their persistence in it must have upon the trade of their city in reference to American commerce, particularly since Austria had freed American ships with clean bills of health from all quarantine; that unless they followed the example of the Austrian authorities in this respect, they would drive the transatlantic trade to Trieste, and make it emphatically the great *dépôt* of colonial and other American products, to the great disadvantage of their own city. He promised, however, immediately to press the subject again upon the consideration of the board of health, and expressed his belief that the arguments and interests which would be brought to bear upon the question would, ere long, insure a beneficial change.

I was not surprised to find that the abandonment by Austria of quarantines on arrivals from the United States had already arrested the attention of this government. It will be found impossible for Genoa, or any other Italian commercial city, adhering to the old quarantine system hitherto universally adopted in these countries, to hold way with Trieste, while that port enjoys the exclusive advantage of being freed from it. Sooner or later, the obvious and pressing interests of Genoa and Leghorn and other Italian commercial cities must prevail over existing prejudices, and our commerce with them will take its naturally direct course, instead of being carried on, as hitherto, through the ports of England, and those of northern countries, so much to the detriment of our own shipping interests.

This, sir, is the first aspect under which our affairs present themselves here, and if I am right as to the inferences to be drawn from the dispositions evinced both in language and in manner, it is such as to justify the best hopes.

I have the honor to be, sir, with sentiments of great consideration, your obedient and faithful servant,

N. NILES.

Hon. JOHN FORSYTH, *Secretary of State.*

Mr. Niles to Mr. Forsyth.

TURIN, October 8, 1838.

SIR: My letter of the 26th ultimo will have informed you of my arrival here, and the dispositions evinced by this government, in my earlier interviews with its different members, in regard to the objects of my mission.

Since that time I have submitted to the minister of foreign affairs, at his request, but in an informal manner, a draught of a commercial treaty, embracing all the general principles which enter into our treaties of the same kind with other European nations.

I have suggested to the minister the practicability of appending to such a treaty, should his sovereign be willing to adopt it, other and distinct provisions, in the form of separate articles, calculated to encourage and secure an increased commerce in certain products of the two countries, and providing for the ratification of these articles separately.

It has occurred to me that we might stipulate for the continuance of the present exemption of silk goods from duty in our markets, as to Sardinia, for a limited time, against the engagement on the part of her government to employ American leaf tobacco, generally, by the Sardinian regie; also, to admit olive oil, the produce of Sardinia, free of all duty, against the free entry, to the consumption of all parts of this kingdom, of our whale oil, and so of some other peculiar products of the two countries.

I have not, however, felt as if my knowledge of the bearing of provisions of this sort upon the commerce in the before mentioned articles in particular, or in others, was sufficiently exact to justify my venturing upon stipulations of the kind without further inquiry and reflection.

In regard to the regie of tobacco, it is proper for me to observe, that its interests, independently of all other considerations, have, within a few years past, induced it to employ a much greater proportion of American leaf than formerly. The minister of finances informs me that the quantity contracted for, and to be purchased the present season, amounts to about 6,000 quintals; being an increase of more than one-third over the quantity purchased or employed in any former year, and forms no small proportion of the whole amount annually required.

Since the taste for American tobacco is so much on the increase in every part of Europe, and is likely to become predominant and established, it is questionable whether it would not be wiser in the American government to rely on *pressing and continued instances*, near those European governments where the manufacture of tobacco is a monopoly, and in that way to endeavor to encourage its consumption, than to embarrass

itself with special stipulations in favor of an object which can be accomplished without them. But tobacco, as has been the case with almost all other articles from our hemisphere, owing to the quarantine regulations hitherto in existence, has come to Genoa principally through the ports of the north of Europe, having been habitually sought for by the agents of the regie in the markets of England and Holland. Since my arrival, for the first time, the minister of finances has been endeavoring to establish an agency in the United States, in the hope of being able to procure tobacco there, at first hand, at much cheaper rates than in the European markets.

As to olive oil produced in Sardinia, I see no reason why we might not stipulate for its free admission, against the free admission of our whale oil and other products of our fisheries, to the consumption of this country; if, as I am inclined to believe would be the case, such an arrangement would insure the substitution of whale oil for lights and other purposes, instead of olive oil, now universally employed in this country. But inquiry and reflection are necessary, in order to ascertain in how far the prices at which these two kinds of oil can be produced would be apt to interfere with or to insure the success of an exchange of this sort on the basis of a reciprocal exemption from duty.

Analogous stipulations, it appears to me, might be advantageously entered into in regard to *unwrought marble* on the one part, and coal on the other; articles particularly well fitted for ballast either way across the Atlantic. They are reciprocally wanted by both countries, and each is, comparatively, destitute of the article the other might furnish in great abundance. Coals from the United States, freely admitted, would find a considerable and constantly increasing consumption in Genoa, and along the Italian shores, for the use of steamboats and other steam engines; while Italian marble will always be wanted in the United States in considerable quantities for ornamental and building purposes. The financial state of this country, with an annually overflowing treasury, and almost an entire freedom from debt, would as clearly justify the adoption of the measures suggested as that of the United States. No objection can be urged against them on account of exclusiveness, since each party might, with great advantage to all its interests, extend their provisions to all other countries willing to reciprocate them.

I have learned from the minister of finances, as well as from our consul at Genoa, an important fact with regard to our fishing interests. It appears that the effect of the large bounties by which France has long encouraged the codfishery has been at length to drive us entirely out of the Sardinian markets. From 15th September, 1835, to 15th April, 1836, 5,090 quintals of codfish were imported into Genoa from the United States; 5,800 quintals from England; and 22,050 from France. From same date to same date of the following season, not a pound was received from the United States; 1,367 quintals from England, and 26,960 quintals from France. For the same season of the following year, none received from us, none from England, but 47,080 quintals from France. I will, by another occasion, forward more extensive statistical information on this subject.

I have the honor to forward a letter from the minister of foreign affairs, announcing the appointment of a *chargé d'affaires*, who, I am told, will proceed immediately to the United States. It also gives me pleasure to

inform you that the authorities at Genoa have given up quarantines on arrivals from America provided with clean bills of health. I shall be officially notified of this fact in a day or two. The effects of this measure must be great on American commerce, and insure to Genoa the advantage of becoming the centre of Italian commerce, or to force other cities to follow her example.

I have the honor to be, with great respect, your faithful servant,
N. NILES.

Hon. JOHN FORSYTH, *Secretary of State, Washington.*

TURIN, le 29 Septembre, 1838.

MONSIEUR: Le Roi mon auguste maître, qui apprécie beaucoup les vues dans lesquelles le Président des Etats-Unis d'Amérique vous a désigné comme agent diplomatique auprès de sa cour, désirant de son côté d'établir des rapports politiques avec ce gouvernement, et de favoriser autant que possible les relations commerciales de ses sujets avec ces contrées, vient dans ce double but de nommer Monsieur le Comte Auguste Avogadro de Colobiano en qualité de chargé d'affaires auprès des Etats-Unis. Je ne doute point, monsieur, d'après les ouvertures que vous m'avez faites que votre gouvernement n'apprenne avec satisfaction cette détermination de S. M. qui prouve tout l'empressement que nous avons à étendre et à multiplier dans l'intérêt réciproque des deux pays des relations qui jusqu'ici n'avaient pas eu toute le développement et toute l'importance dont elles sont susceptibles.

En vous informant de cette nomination, je vous renouvelle, monsieur, les assurances de ma considération distinguée.

SOLAR DE LA MARGUERITE.

À Monsieur NATHANIEL NILES,
Agent Diplomatique des Etats-Unis à Turin.

[Translation.]

TURIN, September 29, 1838.

SIR: The King, my august master, who properly appreciates the views with which the President of the United States of America has appointed you a diplomatic agent near his court, being desirous on his own part to establish political relations with that government, and to favor, as far as possible, the commercial relations between his subjects and those countries, has, for both these objects, appointed M. Count Auguste Arogadro de Colobiano his chargé d'affaires near the United States. I doubt not, sir, after the overtures which you have made, that your government will learn with satisfaction this determination on the part of his Majesty, which proves our great readiness to extend and multiply, for the reciprocal advantage of the two countries, relations which have hitherto not received that development, and have not acquired that importance of which they are susceptible.

In communicating to you the fact of this appointment, I renew to you, sir, the assurances of my distinguished consideration.

SOLAR DE LA MARGUERITE.

To Mr. NATHANIEL NILES,
Diplomatic Agent of the United States at Turin.

Mr. Niles to Mr. Forsyth.

TURIN, October 11, 1838.

SIR: I have great satisfaction in being able to communicate herewith an official letter from the minister of foreign affairs, announcing most important changes in the quarantine regulations at Genoa, to which I adverted in my communication of the 8th instant.

I have the honor to be, with great respect, your obedient and faithful servant,

N. NILES.

Hon. JOHN FORSYTH,
Secretary of State, Washington.

TURIN, 10 Octobre, 1838.

MONSIEUR: Je m'empresse de vous annoncer que le magistrat de santé de Gènes vient de déterminer, par une délibération qui a reçu la haute sanction du Roi, mon auguste maître, que les provenances de l'Amérique Septentrionale seront dorénavant admises à la libre pratique, sous la condition, cependant, qu'elles seront munies, outre la patente nette, d'un certificat d'un agent consulaire de S. M. ou d'un autre consul Européen résidant dans l'endroit d'où elles seront parties, constatant que le dit pays est exempt de toute maladie contagieuse, et surtout de la fièvre jaune.

J'éprouve une véritable satisfaction, monsieur, à vous faire connaître une résolution si conforme à un désir que vous m'avez exprimé, et j'aime à penser que votre gouvernement trouvera dans cette intention de lever une entrave qui pouvait nuire aux relations commerciales, une preuve de notre empressement à favoriser, par tous les moyens, le développement de rapports réciproquement utiles aux deux pays.

Je saisis bien volontiers cette occasion pour vous renouveler l'assurance de ma considération distinguée.

SOLAR DE LA MARGUERITE.

À MONSIEUR NILES,

Agent Diplomatique des Etats-Unis d'Amérique.

[Translation.]

TURIN, October 10, 1838.

SIR: I hasten to announce to you that the magistrate of health of Genoa has just determined, by a decision which has received the King's sanction, that arrivals from North America shall henceforward be admitted to free *pratique*, upon condition, however, that they come provided with a certificate (besides the clean bill of health) from a consular agent of his Majesty, or from any other European consul residing in the place from which they sailed, to the effect that the said country is exempt from every contagious disease, and especially from yellow fever.

I experience great satisfaction, sir, in communicating to you a resolution so conformable with the desire expressed by you, and I flatter myself with the hope that your government will see, in this intention to remove an impediment to commercial relations, a proof of our eager desire to favor, by every means in our power, the development of relations reciprocally useful to both countries.

I gladly embrace this opportunity to renew to you the assurance of my distinguished consideration.

SOLAR DE LA MARGUERITE.

To Mr. NILES,

Diplomatic Agent of the United States of America.

Mr. Niles to Mr. Forsyth.

TURIN, December 1, 1838.

SIR: In communicating the treaty of commerce herewith transmitted, concluded and signed at Genoa on the 26th ultimo, it is proper for me to accompany it by a brief notice at least of those circumstances and considerations which have given to it the peculiar stipulations you will observe in the 14th and separate article.

The annexation of the ancient republic of Genoa to the Kingdom of Sardinia imposed upon the government the necessity of giving to this newly acquired and most important possession the most convincing proofs of its disposition to encourage and foster its leading interests, those of navigation and commerce, in every possible way, and by that means to tranquillize and render harmless that general dissatisfaction with which the Genoese witnessed the loss of their independence. This paramount object of government policy it was falsely thought at the time would be attained by the adoption of a system of differential duties, to the disadvantage of foreign flags, applied to tonnage, and to the principal articles of commerce of which Genoa was then the centre, such as grain, breadstuffs, wine, olive oil, spirits of all kinds, and some other articles of minor importance. An extraordinary development of all branches of business connected with navigation, properly speaking, was the first and early result of this policy. But measures of retaliation, adopted by other countries, soon presented the unexpected consequence of a constantly decreasing general commerce, with an augmenting national navigation, employed in particular privileged branches of trade. The commercial and navigating interests became divided; the first attributing to the differential system the decline of that varied and general commerce which formerly made Genoa the commercial emporium of the Mediterranean; the other disclaiming against this view of the subject, and pertinaciously defending those interests which had grown up under, and depended upon, the encouragement of the differential duties. A warm contest has been carried on for years past on this subject, between the mercantile classes on the one hand, and ship-owners, ship-builders, and sailors on the other; the latter, although the weakest in argument, having the immense advantage of defending acquired interests, which had become important under the encouraging influence of existing laws. The government has listened to the representations of the contending parties; but, although long since satisfied of the pernicious effects of the differential system of duties on the commercial prosperity of Genoa, it has not been able to devise a policy which would at the same time save the interests of navigation supposed to be in danger, by opening new channels for its employment, and insure the return of that general commerce for which Genoa is so particularly well placed.

This, sir, is a succinct account of the state of feelings and opinions touching the differential system of duties up to the time when I arrived

here—a state of things which has hitherto isolated the commerce of Sardinia, and prevented her government from entering into commercial treaties with other nations, and rendered impossible the immediate, full, and entire application of the broad principles of free trade and perfect reciprocity advocated by the United States.

On examining into the course of Mediterranean commerce, I found that the differential duties imposed on importations in foreign vessels could, with few exceptions, rarely, if ever, affect American shipping, particularly in regard to those articles imported into Genoa from the Mediterranean ports. Vessels engaged in the corn, wine, and oil trade, are required to be of a small description, fitted to enter the almost numberless small ports of the Mediterranean and adjacent seas, where these articles are sought for and disposed of by Sardinian vessels. The minister of foreign affairs, to whom a project of a commercial treaty was early submitted, avowed his willingness to abandon all differential duties on imports from beyond the straits of Gibraltar, and to limit them to grain, wine, and oil, imported from the ports of the Mediterranean, the Adriatic, and the Black sea; at the same time, expressing the determination of his government to give them up altogether, by slow degrees, as soon as it could be done without exposing the ship-owning interest to any violent shock; but he could not fix a time when this object would be accomplished.

In this state of the case, the idea occurred to me, that we might take advantage of the necessity in which the Sardinian government was placed of continuing the differential duties on grain, wine, and oil, and, by conceding to it the benefit of them for a time, without any act of retaliation on our part, secure, in the way of offset to our products, tobacco included, the right of a free transit through the territories of his Sardinian Majesty to the markets of Parma, Lombardy, and Switzerland; and, at the same time, reserve the right of imposing countervailing duties on the same articles, imported into the United States in Sardinian vessels from the Mediterranean, the Adriatic, and the Black sea, if the Sardinian government should not wholly abandon them (the differential duties) within a given period. The minister was evidently pleased with the outline of this idea; but said that, in regard to transit, it would be necessary for him to consult with the other members of the government before an answer could be given to my proposition.

Many conferences were held between this minister and myself, in reference to this subject, in which I did not omit to urge upon him all the arguments in favor of the encouragement of a transit trade to the countries mentioned, as well in regard to the political interest of Sardinia, as to the immense commercial advantages which Genoa would derive from it. The minister at length consented to stipulate for the free transit of all articles of commerce, the produce of the United States, with the exception of gunpowder, salt, and tobacco, and was evidently desirous of concluding a treaty on this basis.

This was the state of our negotiations on the first of November, when the King and his ministers set off for Genoa, which is the official residence of the government for a part of the year. Count Solar de la Marguerite took it for granted that I should follow the government, in common with all the other members of the diplomatic corps, and that he would be able to conclude a treaty without conceding the free transit of tobacco. I however remained in Turin, and, on the 5th November, addressed to the minister a letter, a copy of which is herewith enclosed.

Anterior to doing this, I wrote to our consul, Mr. Campbell, (who deservedly stands very high, both as a man and a merchant, with all the influential classes at Genoa,) impressing upon him the importance of the present moment as one particularly favorable for the mercantile interests of that city to bring all their influence to bear on the government in favor of encouraging a transit trade from the free port of Genoa to Palma, Lombardy, and Switzerland, and through that country into the south of Germany, particularly in the great staples of transatlantic commerce, cotton and tobacco, pointing out the advantages which must inevitably result from it to Genoa. Mr. Campbell lost not a moment in disposing influential merchants, natives of the city, to make personal representations on the subject, both to the King and His ministers.

A first note from Count Solar de la Marguerite, dated at Genoa, on the 10th November, (a copy is enclosed,) without alluding to my letter, in terms informed me, as you will see, that the negotiations were to be continued by M. de Buttet, chief of the foreign office, who remained in Turin. But, through this gentleman, the minister soon learned my indisposition to proceed further, unless a free transit of tobacco should be accorded. I have reason also to believe that the King, a most active and intelligent business man, anxious to see our negotiations brought to a definitive conclusion, had inquired particularly into the cause of the apparent delay, and required an exact account of the state of the matter to be made to him. The suggestions made in my letter of the 5th to Count Solar, of which the King became in this way possessed, were not, I believe, wholly without effect on the royal mind. At any rate, the result of further consideration on the subject of my letter was the admission of tobacco in an unmanufactured state to a free transit, as you will perceive by the accompanying copy of the minister's letter to me of the 17th.

In the mean time, observing the evident anxiety of the minister's mind to conclude a treaty of commerce with the United States, in the manner I had suggested, of getting round the differential duties, I determined to go to Genoa so as to be ready to profit by circumstances, and I arrived there the very day the minister's letter reached my house in Turin.

The only remaining difficulty was to provide for the eventual establishment of transit duties to and from Parma, which, it appears, is a bad neighbor, should circumstances require; but as it would evidently have been improper to particularly indicate the frontier of that duchy in a public treaty, in reference to such a provision, the proviso for imposing transit duties *for any one point* of the inland frontier took the form in which it is inserted in the 14th article.

This proviso, I think, cannot be considered as in any way invalidating the general conceded privilege of a free transit. At any rate, many ways are presented to prevent the abuse of that proviso. In the first place, those interests which are to spring up connected with the transit trade will soon effectually control the dispositions of the government itself, to say nothing of the power we have of affecting the determinations of the government in the state of the silk trade. So deeply does the commerce in silk effect the whole cisalpine population of Sardinia, that the United States, of all other countries, is that which this government will be the least likely to offend by giving an abusive interpretation to a treaty stipulation while we are as large consumers of that article as at present, on the liberal conditions on which it is now prosecuted. The right to a free transit

may therefore be considered, as I am sure it was intended, a perfect grant; except it should become necessary to impose transit duties on goods to and from Parma, as a means of carrying on an equal custom-house war with that dutchy. But even if difficulties with Parma may be anticipated, it must be seen that the Sardinian government will, after all, obey its clear political instinctive policy, that of conquering the interests and affections of her population, by habituating them to transact their commercial business through Genoa on the easiest possible terms.

In conceding to Sardinia the right to continue differential duties on grain, wine, and olive oil, imported from ports within the Mediterranean and dependant waters, for a period of four years, we make no sacrifice whatever of our own interests, since we can never have either a motive or a capacity to compete with Sardinian vessels in carrying on a coasting trade in these or in any other articles to Sardinian ports.

By thus limiting the exceptions to a mutually perfect free trade to the three articles mentioned imported into Sardinian ports from within the Mediterranean, the general principles of a reciprocal free commerce are adhered to, while the right of reprisals, in a way that will turn to our advantage, is stipulated for if their application is not made universal by the Sardinian government within the time agreed on.

The 14th article, which is really the offset to the separate article, although care was taken to prevent its having that appearance, secures to us directly, and to commerce generally, by its necessary consequences on the policy of other countries, advantages of the greatest and most substantial value. The port of Genoa is much nearer to every part of Switzerland, Wurtemberg, and a great portion of Bavaria, than any of the maritime cities of France, Belgium, Holland, Germany, or Austria. Several great public routes over the Alps are at all times kept in a perfect state of repair by the Sardinian government. The snows which impede trade in the winter equally embarrass the communications over the Jura mountains, in France. The transit of goods on the Rhine is obstructed by ice for about the same length of time. In a word, the greater proximity of Genoa to the countries mentioned, with a parity of difficulties in reaching them, renders that city their natural channel of communication with the sea. This is particularly true of the greater part of the immense and incomparably fertile plains of Lombardy, which lie between the Alps and the Appenines.

But an easy means of getting at the markets of these several countries, and supplying them with our tobacco, cotton, rice, fish, &c., affords no just measure of the value of the concesssion made by the 14th article. In order to prevent the trade of Lombardy from taking a direction through Sardinia, Austria must encourage commerce through Venice by new facilities, or the affections and the hopes of her Italian population will naturally be turned to this government, whose policy, as avowed in this treaty, is more in harmony with their interests.

The heavy duties and other obstructions, such as municipal taxes for the use of roads and bridges, which now embarrass the transit trade through Belgium, Holland, the German customs-union, as well as on the Rhine, must, if this treaty goes into effect, be abolished or favorably modified, or the entire supplies of transatlantic merchandise for Switzerland and the whole southern section of Germany will ultimately be obtained through Genoa.

Should the peace of northern Europe be disturbed either by conflict-

ing armies or a maritime war—an event, in all probability, not very remote—we have here a free and an unobstructed channel open to the centre of the continent, guarantied by a treaty stipulation with a formidable power, which will have every possible interest to adhere to this liberal policy—a policy which places her far in advance of all the other continental countries with regard to the freedom of inland commerce.

The provisions of the separate article are highly important to Sardinia, as they expose a basis on which she can now enter into commercial treaties with other maritime countries, and thus open new channels for the employment of her overgrown navigation, and avoid exciting that discontent which she would have just reason to apprehend from a sudden withdrawal of that protection to her own shipping which has been thought so necessary. There is, indeed, good reason to believe that both parties will be permanently and extensively benefited by the treaty.

The quarantines on transatlantic arrivals having been given up, and the differential duties on tonnage as well as on all articles which can possibly be imported by American ships done away with by the present treaty, if it should be approved by the President and the Senate, of which I flatter myself there can be no doubt, it may be fairly calculated that Genoa will soon become the great depôt in the Mediterranean for the products of American industry, while her established relations with every port in the Black sea and on the shores of the Mediterranean and Adriatic will afford her every facility for carrying on a profitable trade in transporting them to new and remote markets.

The other articles of the treaty, being similar to those which enter into most of our commercial treaties, and so perfectly in accordance with universally acknowledged public law, require, I take it, neither explanation nor defence.

It has been my endeavor to turn to the best account, in the interest of our commerce and industry, the peculiar state of things here; and the best reward for the labor and attention I have bestowed on the subject will be to know that the treaty in which they have resulted has met with the approbation of the Executive.

I have the honor to be, sir, with sentiments of the utmost respect and consideration, your obedient and faithful servant,

NATHANIEL NILES.

HON. JOHN FORSYTH,
Secretary of State.

TURIN, November 5, 1838.

COUNT: I cannot refrain from the expression of the regret and disappointment with which I received the communication you made me at our last interview, of the determination of his Majesty's ministers not to accede to the proposition I had had the honor informally to submit to your excellency, concerning the free transit of American tobacco through the territories of his Sardinian Majesty; and which it was proposed to introduce into the project of a treaty of commerce, now under discussion. The more I reflect on this subject, the more I am convinced that that decision has been come to from a mistaken view of its importance to Sardinia herself. So strong is this conviction, that I cannot but hope that a review of the

considerations in favor of the admission of my proposal will yet induce the ministry to change their ground, and thus enable us to bring our present negotiations to a mutually satisfactory close.

Genoa may be considered the natural channel for the transatlantic commerce of Parma, Modena, a part of the Papal dominions, with the Appenines—a great proportion of Lombardy, Switzerland, and the south of Germany, embracing a population of several millions beyond the frontiers of his Majesty's dominions. A treaty stipulation, by which the free transit of tobacco through his Majesty's states might be secured for a series of years, would undoubtedly soon induce the governments of the countries mentioned, where the manufacture and sale of tobacco is a monopoly, to get their supplies of this article from Genoa; and the inhabitants of those countries where the trade is free, to procure their tobacco through the same channel. It is apparent that an established trade in this article for the supply of three or four millions of population beyond the confines of Sardinia must, alone, be of the highest advantage to the commercial interest of Genoa, to say nothing of the other branches of commerce which would naturally be connected with it, equally beneficial to the general trade and navigation of Sardinia.

In the increased business activity which would inevitably grow out of this free transit tobacco trade, to the advantage of every class of the community, it is believed the government would find much more than an adequate compensation for any loss the treasury might by any possibility suffer, from an illicit trade in the article of tobacco, even if no measures should be found to prevent it. But there is little reason to doubt that a system of surveillance may be adopted, without imposing great expense on its transit, which would effectually render smuggling and frauds impossible.

There is, however, another view of this subject, still more important in the permanent interest of Sardinia than that just adverted to. The United States have adopted a most liberal policy in admitting silk manufactures from all European countries to consumption free of duty. Differential duties have been imposed on silks from beyond the Cape of Good Hope, expressly to secure to Europe the chief benefit of the American markets for this article. This perhaps too liberal policy in regard to European nations has been adopted in the expectation of obtaining equivalent advantages in the way of an increased consumption of our principal staples, or in the enjoyment of new and extended facilities in trade.

Now the annual exportation of about eight millions of manufactured silks to the open markets of the United States, and of raw silk of the value of nearly sixty millions of francs annually, manufactured at Lyons, in Switzerland, Germany, and England, in a great measure for the American markets, shows to what extent Sardinia is interested in the continuance on our part of a policy which has already rendered her so prosperous and rich, and promises for the future, if continued, such permanently beneficial results. It cannot be questioned that Sardinia has received, and will continue to derive, greater advantages from our policy in regard to the free admission of European silks than any other nation whatever. With her government it would, therefore, seem to be an inquiry of the highest importance, by what means those advantages can be secured for the future. Sardinia cannot reasonably expect to continue to enjoy, indefinitely, the advantage of a system gratuitously liberal on the

part of the United States. It would appear to be an object of the first importance to open such facilities for American commerce as to make it for the interest of the American government to continue its present system with regard to Sardinian silks, whatever changes its finances or political policy may hereafter dispose it to adopt, in reference to other European silk-growing and manufacturing countries. Sardinia holds the key to an extensive market for American tobacco; and if she continue to refuse us the right of way to that market, can she expect, with any propriety, that we shall continue our present policy toward her in regard to the free admission of manufactured silks? But let Sardinia open for us a free transit trade in American tobacco, and it is apparent she will have furnished herself with the means of urging, with great force, an exception in favor of her silks, should circumstances, likely at any time to occur, make it the policy of the United States government to modify the conditions upon which European or India and China silks may hereafter be admitted to consumption in the United States.

I cannot but hope, Monsieur le Comte, that the considerations above hastily sketched, together with the liberal exceptions to the advantage of the Sardinian flag, proposed in the separate article of the projected treaty, will yet have the effect of inducing the King's government to grant a free transit of American tobacco through the territories of his Majesty; a measure which I am fully convinced, if carried frankly into execution, will be found to be fraught with lasting advantage of a commercial kind to our respective countries.

I have the honor to renew the assurance of the highest consideration with which I am your excellency's most obedient and faithful servant,

NATHANIEL NILES.

To His Ex. Count SOLAR DE LA MARGUERITE,

First Secretary of State for the Department of Foreign Affairs.

GÈNES, le 10 Novembre, 1838.

MONSIEUR: J'envoie par ce courrier à Mr. le Chev. de Buttet, premier officier de mon ministère, le projet de notre traité de commerce et de navigation, avec quelques variations qu'on a dû faire aux conditions que vous avez proposées. Nous avons admis tout ce que nous pouvions accorder, et comme il nous est absolument impossible de plus rien changer à ces stipulations, ce ne serait que mettre un retard inutile à la conclusion que de me renvoyer ce projet modifié. M. de Buttet vous en donnera connaissance, et si vous êtes disposé à y souscrire, comme je ne saurais en douter, je le charge de s'entendre avec vous pour en arrêter ensemble la forme et la rédaction définitive.

Je saisis avec empressement cette nouvelle occasion pour vous offrir, monsieur, les assurances de ma considération distinguée.

SOLAR DE LA MARGUERITE.

À Monsieur NILES,

Agent Diplomatique des Etats-Unis d'Amérique.

[Translation.]

GENOA, November 10, 1838.

SIR: I send by the mail of this day to the Chevalier de Buttet, chief officer of my department, the *projet* of our treaty of commerce and navigation, with some variations which have been necessarily made in the conditions proposed by you. We have admitted all that we could concede; and as it is absolutely impossible for us to make any further change in these stipulations—to send me back this *projet*, with modifications, would have no other effect than to delay the conclusion unnecessarily. M. de Buttet will communicate the *projet* to you; and if you are disposed to subscribe to it, as I doubt not that you will be, I empower him to confer with you as to the definitive form and terms of the treaty.

I seize with pleasure this occasion to offer you, sir, the assurances of my distinguished consideration.

SOLAR DE LA MARGUERITE.

To Mr. NILES,

Diplomatic Agent of the United States of America.

GENES, le 17 Novembre, 1838.

MONSIEUR: En attendant que je vous adresse ma réponse à la lettre que vous m'avez fait l'honneur de m'écrire en date du 5 de ce mois, je me fais un empressement de vous annoncer que, dans l'intention de faire quelque chose d'agréable à votre gouvernement, et de lui donner une nouvelle preuve de notre désir de rendre aussi avantageuses que possible au commerce des Etats-Unis les conditions du traité que nous négocions, il vient d'être déterminé, d'après le vœu que vous avez exprimé, que les tabacs, sauf ceux manufactures qui seraient importés sur des bâtimens Américains, pourront transiter par les états du Roi, de la même manière, et étant soumis aux mêmes réglemens que les autres articles de commerce non exceptés du transit.

Je ne doute pas, monsieur, que vous ne trouviez dans cette résolution une marque d'autant plus évidente des dispositions bienveillantes que nous avons apportés dans cette négociation, qu'en faisant cette exception, on renonce à maintenir une prohibition à laquelle on tenait cependant extrêmement.

Je suis persuadé qu'après une semblable concession de notre part, il n'y aura plus maintenant aucune obstacle à une conclusion que nous aurons assez facilité, pour être en droit de ne plus admettre aucun changement à nos dernières conditions.

Je saisis bien volontiers cette occasion pour vous renouveler, monsieur, les assurances de ma considération très distinguée.

SOLAR DE LA MARGUERITE.

À Monsieur NILES, *Turin.*

P. S.—Monsieur de Buttet est chargé de donner des plus amples explications pour ôter tout difficulté à la conclusion.

[Translation.]

GENOA, November 17, 1838.

SIR: I shall without delay prepare my answer to the letter with which you honored me under date of the 5th instant; meanwhile I hasten to communicate to you that, with the object of doing something agreeable to your government, and of giving to it a new proof of our desire to render the conditions of the treaty which we have just negotiated as advantageous as possible to the commerce of the United States, it has been determined, according to the wish expressed by you, that all tobacco, with the exception of manufactured, imported in American vessels, will be allowed to pass through the King's territories in the same manner and subject to the same regulations as other articles of commerce not excepted from the privileges of the transit.

I doubt not, sir, that you will find in this resolution a most evident proof of the goodwill with which we have carried on this negotiation, inasmuch as we have by this provision renounced a prohibition which we were most anxious to maintain.

I am persuaded that, after such a concession on our part, there will no longer be any obstacle to a conclusion, for which we have afforded so many facilities that we have a right to refuse any further change in our last conditions.

I embrace this opportunity, with pleasure, to renew to you the assurances of my most distinguished consideration.

SOLAR DE LA MARGUERITE.

To Mr. NILES,

Diplomatic Agent of the United States at Turin.

P. S.—Monsieur de Buttet is charged to give the most ample explanations in order to remove all obstacles to the conclusion of the treaty.

Extracts from a letter from Mr. Niles to the Hon. John Forsyth, Secretary of State.

TURIN, May 14, 1839.

MY DEAR SIR: I yesterday learned from this government that the late treaty with Sardinia has been fully ratified on our part, and that the ratifications were exchanged on the 18th of March. Through the same channel, I received information some time since, that it had been approved, and that the ratifications were preparing; and, in consequence of that information, I have had occasion to be useful in getting a cargo of rum, which arrived from St. Jago de Cuba, admitted to entry on the same footing as if it had been imported in a Sardinian vessel. This vessel, the Cypress of Boston, was the first to enjoy an exemption from differential duties on tonnage and cargo, amounting to one-third more than is paid by the national flag. The same proportion of excess has hitherto been paid also for every other description of port charges. Great confidence exists at Genoa that the number of American arrivals, hitherto amounting to about 17 annually, from various parts of the world, will, under the advantages of this treaty, be greatly augmented. But this treaty is but the *first*

step toward effecting a very large and mutually advantageous commerce with this country, and, through it, with the countries beyond its limits to the north and east.

Sardinia has an overflowing revenue, and a reserve in cash fully equal to the amount of her debt. She is, therefore, in a situation to adopt the most liberal principles in regard to foreign commerce. While negotiating my treaty, I often had occasion to converse with the minister of foreign affairs on the advantages which our respective countries would derive from a convention which would admit to consumption, for a series of years, several of our products free from all duty against the free admission on the same terms of some of the products of this country. The products of our fisheries against sweet oil, and tobacco against silks, on a new basis, and other matters of minor importance, were particularly the subjects of consideration. If I had had time and been provided with ample instructions, I believe it would have been possible to have incorporated a series of articles into the treaty of this character. As it was, an article was drawn up to the effect that the contracting parties agreed hereafter to enter into negotiations for the carrying this idea into effect; but, on mature reflection, I thought, and so did Count Solar, that a public announcement of this project would tend to defeat the object, and it was of course abandoned. During the winter I have been preparing myself with such facts connected with the revenue, the growth of oil, the consumption of fish, whale oil, &c., as might be useful in future negotiations. The government has assured me of its willingness to proceed with negotiations on this plan whenever it should have received information of the ratification of the treaty, as that instrument being confirmed would present a fair preliminary ground for their successful prosecution. But as yet I have felt that it would be exceedingly imprudent to let any announcement of this plan escape, in the fear that its realization might be thwarted by England and France, which have so long enjoyed the principal advantages of commerce with the Italian peninsula. The treaty with us has excited great hopes of emancipation from this commercial thralldom, to those two countries, throughout Italy. Naples is now exceedingly anxious to get rid of a secret article of treaties with France and England, by which those powers have hitherto enjoyed an advantage of ten per cent. over other countries in the payment of duties. She is now appealing to England to apply her own pretended free principles to *her* case. In these efforts she will be assisted by Austria, this country, and Prussia, all of which powers are desirous of entering upon a free competition in commerce with all other countries.

Now no measure that the King can possibly adopt would tend so much to render him popular and powerful in the north of Italy as making *Sardinia virtually a free port* by the admission of the products of our fisheries, our woods, and cotton to consumption throughout his dominions free of all duty. This policy would greatly develop the elements of his maritime power, which, in the next general war that may occur on the continent, is destined powerfully to aid in the territorial aggrandizement of this kingdom.

It is proper for me to observe that I have had several confidential conversations with the Roman chargé d'affaires, Monsignor Campodolio, on the subject of a free admission of our fish into the Roman states, against

the free admission, on our part, of the sweet oil of those states. As the principal taxes in the Papal states are raised on the land, the advantage of an open market like the United States, for the disposal of the principal product of Roman agriculture, is clearly seen by the Pope's government.

It is also an object with it to procure fish at the cheapest rates for the catholic population of that country. No other country can afford the advantage of a free exchange, which would tend so much to promote the interests in question, and which both countries have the highest motives to encourage by every legitimate means; the one by giving increased value to a taxable soil, the other by adding to its maritime and commercial importance.

If the views which I have suggested in relation to this subject should meet with the President's approbation, and are thought likely to command the public assent, it may not, in the confidently anticipated event of my receiving the appointment of chargé here, be thought unwise to furnish me with instructions to follow up this matter. If this subject is cautiously managed, I am firm in the belief that the plan proposed can be carried into execution in every oil-growing country in Europe, with the exception of France. But, in my opinion, this is the point where its application can be most advantageously commenced. Such a system would at once relieve us from the whole system of bounties granted by other governments for the encouragement of their fisheries, and enable us successfully to compete with France and England, whose finances will not permit them to adopt the proposed plan.

I have the honor to acknowledge the receipt of your letter of the 18th of February last, by which I presume that my credit on M. de Rothschild was closed on the 7th December. As soon as I can procure from Vienna and Paris the elements for making out my account in the form you suggest, it will be forwarded.

With renewed expressions of personal respect and consideration, I remain, my dear sir, very devotedly, yours,

N. NILES.

Extract from a letter from Mr. Niles to the Hon. John Forsyth, Secretary of State.

PARIS, July 29, 1839.

MY DEAR SIR: Being greatly disappointed in not hearing from you in the sense in which I could have wished, I determined in the course of last month to recross the Alps, and accordingly left Turin for this place on the 18th of June. A few days before leaving, I had the honor of a long private interview with the King, in which the subjects of a business nature, adverted to in the last private letter I had the honor to write you, were very freely discussed. I was particularly struck with the liberal principles advanced by the King, and highly gratified at the unqualified approbation he gave to the ideas I had the honor to submit to you, as to the advantages of a convention which should admit to consumption in Sardinia and the United States certain products of each, free of all duty. The King fully comprehended the advantage to himself also of admitting free of duty our cottons, and some other bulky articles of transatlantic produce, as affording at once a proper encouragement to manufactures, and as a means of em-

playing and enlarging his navigation, as well as of placing his neighbors in upper Italy in such easy business relations with Genoa as to secure their friendly dispositions, and to his subjects the benefit of carrying on their foreign commerce.

On that occasion, I adverted also to the advantages which Sardinia would derive from the free admission of American timber for building purposes, and in the form of staves for making casks. Wood of every description is exceedingly dear in every part of Italy; so much so, that at the north the Lombardy poplar is cultivated to make boards for finishing off the interior of houses, and all similar uses. The Alps and the Apennines have become quite bald of heavy timber, and every thing they present in the way of wood is of recent growth. In many parts of the country wine is carried to market in sheep skins, tanned for the purpose, so expensive are the materials for making casks.

It appears to me that a new and greatly increased value might be given to the timber lands of our country, particularly those at the south, by opening for the staves, boards, planks, and scantling, so abundant and so valueless on most of the southern waters, free markets in the wine-growing and populous countries of southern Europe. Now, as an offset for the untaxed supply of our timber, including staves, it seems to me that the United States might, with great benefit to itself, admit the wines of all wine-growing countries of an exceedingly low rate of duty, and certain descriptions of wine, those for ordinary use, wholly free of duty. It so happens, in every one of the wine-growing countries of Europe, that timber of all sorts is exceedingly expensive, and must always remain so. This idea exhibits the elements of a natural commerce between our country and the whole south of Europe, where wine is grown, with the exception of Hungary and Transylvania, where timber is cheap. Both parties would, in this instance, be gainers, as in the exchange of the products of fisheries against sweet oil; since a new value would be given to the products of each. In this, as in that case, each party might extend the principle of free admission to all other countries. Sardinia produces great quantities of wine; but it is badly manufactured, at least for foreign markets. But, under a guaranty of a free or a privileged market for common wines for a long period of years, she might furnish immense quantities. The same privilege might be extended to the rest of Italy, to France, Spain, and Portugal, against the free admission of our timber. If any of these countries should dissent from such an arrangement, they cannot complain of others enjoying exclusive advantages. The realization of these views can, I am confident, be effected in Sardinia, in connexion with the project submitted in your letter.

N. NILES.

Mr. Forsyth to Mr. Rogers.

[No. 3.]

DEPARTMENT OF STATE,
Washington, June 6, 1840.

SIR: Our commerce with Sardinia is principally, if not exclusively, carried on through the port of Genoa, which is a free warehousing port. It is regulated by the provisions of the treaty concluded at Turin on the 26th

November, 1838, of which a copy accompanies these instructions. The stipulations it contains are of a liberal character, securing to our navigation the national footing, and to cargoes imported in American vessels the treatment accorded to those brought in by the vessels of Sardinia: from this last provision a slight and practically unimportant deviation is provided by the separate article.

The fourteenth article contains a provision to which an interpretation has been given by the Sardinian government, imposing a charge upon a branch of our trade with that country, which our consul at Genoa has deemed it his duty to resist, as not warranted by the language in which the article is expressed. It stipulates that articles of American growth, with certain exceptions therein stated, shall be allowed to pass, in transitu, from the port of Genoa to any point of the inland frontier of Sardinia, free from any duty whatever, other than such as is required to meet the expenses of the necessary precautionary measures against smuggling, which measures are to be the same, whether the goods are imported in American or Sardinian vessels. From the correspondence of the consuls, of which copies are annexed, you will perceive that upon a cargo of leaf tobacco entered from the United States at Genoa for transit to the inland frontier, on the faith of the exemption from duty stipulated by the treaty, a charge of two francs per metrical quintal (about eighteen cents of our money per one hundred and odd pounds) was demanded by the Sardinian custom-house, notwithstanding the representations of our consul, who entered into a discussion of the matter with the minister of foreign affairs. The demand is persisted in, on the ground,

1st. That it is not a transit duty, but a tax intended to cover the expenses attendant upon the precautions to prevent fraud specifically excepted by the words of the treaty.

2d. That as it is chargeable equally upon the same article when imported in Sardinian vessels, the principle of equality which forms the basis of the treaty would, if our construction were adopted, be departed from by granting an advantage to American over Sardinian importations.

In a letter of the 29th November, 1839, to the minister for foreign affairs, the consul, contending that the tax demanded is not applied to the payment of the expenses of the precautionary measures referred to, states what those expenses are. They consist of the cost, and cutting, and sewing of the cloth, and double envelopes, in which it is required that each cask or package should be enclosed, and of the cord to which the leaden seal is attached, amounting together to 6 francs 20 centimes per hogs-head, which is paid by the merchant to his own people; and of 50 centimes on each seal, likewise paid by him to the officers of the customs for their attendance. As this is a special fee paid to them, the proceeds do not go into the public treasury. The consul, therefore, argues that the whole cost of the precautionary measures is defrayed by the merchant; that no part of it is incurred by the treasury; and that consequently the tax of two francs per metrical quintal, which is paid into the treasury, over and above the expenses paid to other parties by the merchant, is, to all intents, a transit duty, and contrary to the terms of the treaty.

Intending to commit the discussion and settlement of this difference to our regular diplomatic agent, this department has deferred to this time the expression of its views of this question. With the information now before it, it is unable to arrive at any other conclusion than that entertained by the consul. The only ground on which the Sardinian minister attempts to

justify the tax is its application to the defraying of the expenses of the precautionary measures contemplated by the treaty. It is shown that the proceeds of the tax are not applied to that object; that the royal treasury incurs no part of such expense; and that the whole of the tax goes into the state coffers. If such are the facts, the payment of the duty may be peremptorily resisted under every aspect in which the meaning of the treaty is susceptible of being presented. It is clearly contrary to the letter of the fourteenth article. And as to the second head under which the Sardinian government attempts to justify its demand of the tax, namely, that it is chargeable upon the article, whether imported in American or Sardinian vessels, although the exemption from it of American tobacco imported in American bottoms, while it is continued on the same article brought in by Sardinian vessels, would indirectly favor our navigation at the expense of that of Sardinia, the tax would still weigh upon an article of American growth, and thereby operate to our prejudice. Whether imported in American or Sardinian vessels, the article is entitled to transit duty free; and the imposition of transit duty upon American tobacco is an infraction of the treaty, without reference to the flag under which it was introduced in the Sardinian port.

If the duty charged by the Sardinian government were a tax incident to the introduction of goods intended for transit or re-exportation into the ports of Genoa, in consequence of its being a free port, and intended to cover the expense of warehousing, inspection, and other measures to protect the revenue against fraud; if such tax had existed before the conclusion of the treaty, and bore equally upon all goods passing through the port of Genoa; if, in a word, it formed part of the warehousing system of Sardinia, under which that port is thrown open to foreign commerce, and applicable generally to the trade in all vessels and in all descriptions of merchandise without distinction, we could not justly complain of a regulation so general and equal in its operation. But if, as appears from the information in our possession, it weighs exclusively upon a staple production of the United States, to its exclusion from a benefit expressly secured by the treaty, we cannot, upon any principle of justice, admit the right of Sardinia to persist in the demand.

It will, therefore, be your special duty, on your arrival at Turin, to enter upon a full examination of this subject; to make yourself acquainted with the real character of the demand, and of the grounds on which it rests. If the result sustains the view taken of it by the consul, and concurred in by the President, you will, at some early interview with Count Solar de la Marguerite, enter into a frank and unreserved discussion of the subject, and acquaint him with the determination of this government to insist upon a fair and immediate compliance with the terms of the treaty. If in the course of the discussion the question should be presented to you in a light which you will think likely to produce a material change in the opinion formed of its merits here, you will refer it to this department and await further instructions. It is the sincere desire of the President that a mutual spirit of fairness and confidence should characterize this first establishment of diplomatic relations between two countries; and that their governments should unite in efforts to draw from the circumstance the highest attainable amount of benefits to their respective citizens. Nothing will contribute more to this result than a candid interchange of views, a fair exposition of the principles by which each party is actuated, and a prompt and liberal performance of mutual obligations. In your intercourse with the members

of the Sardinian government, touching this and the other business matters of the mission, you will be guided by every sentiment of frankness and courtesy; at the same time that you will, with a proper degree of firmness, assert and defend the just claims of your government.

The consular correspondence, to which reference has already been made, will acquaint you with two other subjects of difference which have grown out of the first attempt on the part of our citizens to place their commerce upon the footing authorized by the treaty. One is the difference between the modes of measuring the tonnage of American and British vessels, whereby the latter obtain some advantage over the former in the calculation of port charges estimated after the burden of the vessel. This matter has already been carried to the notice of the Sardinian government by our consul, in a manner which has drawn from it satisfactory assurances that entire justice shall, in this respect, be done to our interests. You will inquire if this has been done, and, if it has not, remind the Sardinian minister of his assurances.

The other of the two points referred to is the demand from shippers of goods brought by American vessels to Sardinia, in order to entitle such goods to the payment of the same duty as if brought in Sardinian vessels, of certificates of origin proving that the goods were shipped *at the place of production*, and that they are brought in the ship in which they were *first shipped*; or, in case of the vessel having been compelled to touch at an immediate port, a consular certificate, attesting the fact, is required.

Under the treaty we can carry to Sardinia goods the produce of all countries; and we can carry them either from the country in which they were produced, or from any place whither they may have been carried in the first place, either in the importing vessel, or by any other conveyance. Were we to concede the right of demanding from our vessels certificates proving that their cargoes were first shipped in them, and at the place of production, it would confine our trade to the carrying of goods between such place of production and the Sardinian port; and no such limitation is to be found either in the letter or the spirit of the treaty. It cannot, therefore, be acceded to; and you will take an early opportunity to communicate our determination to the minister, who, no doubt, can easily be made sensible of the inapplicability of the regulation to the cargoes of our vessels.

To see that the treaty, in all its clauses, is faithfully executed, and that our people and their property is fairly dealt with in the Sardinian dominions, are objects to which, as representative to the United States, you are to give your zealous and increasing attention.

Since the preceding parts of these instructions were prepared, a note (of which a copy and translation are annexed, with a copy of the answer to it,) has been received from Count Colobiano, the chargé d'affaires of Sardinia near this government, on the subject of the transit duty upon American tobacco. You will perceive that he therein questions the correctness of the statement made by our consul of the actual cost of precautionary measures for the prevention of fraud, and alludes to other expenses to which his government is subjected in consequence of its admission of that branch of trade, of which the consul neither did nor could know anything. We have no disposition to deny the existence of such charges as are alluded to by Count Colobiano, nor the right of his government to subject to the payment of them the merchandise on whose account they are in-

curred. What we cannot admit is, any right of Sardinia, under the treaty, to let any part of the money collected on that head inure to the benefit of the State treasury; and we have a right to expect that the Sardinian government shall satisfy us that every part of the sums collected in this manner is expended on the head referred to. If the amount collected exceeds that actually expended, the excess constitutes a clear infraction of the treaty; if, on the contrary, it should fall short of the outlay, injustice is thereby done to Sardinia.

It is pleasing to perceive that the subject is under the consideration of the Sardinian government, with a view to a revision of it, and a disposition to reduce the tax. For a satisfactory and friendly adjustment of the difference, two modes suggest themselves as the readiest to the President. Either, 1st, that the amount of the tax be determined and fixed according to a bill of parcels of the expense actually incurred in the adoption of the requisite precautionary measures; this requires no change in the treaty: or, 2dly, that a stated tax be levied in lieu of, and to cover said expense, upon the principle that, as nearly as practicable, the sum received shall equal that actually expended. For this object an additional article to the treaty must be entered into. The President would not be unwilling to agree to one, if the Sardinian government think the subject of sufficient importance to justify further stipulations about it.

These suggestions are thrown out under the supposition and a hope that no "peculiar circumstances or considerations" shall have arisen to render necessary the re-establishment of transit duty on tobacco directed to any particular point of the Sardinian frontier; and, consequently, that the exercise of the right reserved to Sardinia by a clause in the 14th article, to re-establish such duty, on giving us six months' notice of her intention to do so, shall not have been called for. The fact of the insertion of such a stipulation in the treaty shows, conclusively, and sustains the correctness of our views in that respect, that all transit duties on American tobacco sent to the inland frontier were done away with by the treaty; that such charges only as are required to meet the expense of precautionary measures were to be made; and that transit duties were not to be re-established, except in certain circumstances, and on giving the six months' notice therein required.

I am, sir, respectfully, your obedient servant,

JOHN FORSYTH.

H. GOLD ROGERS, Esq.,

appointed Chargé d'Affaires of the United States to Sardinia.

Letter from Count de Colobiano, with a memorandum, to the Hon. John Forsyth, Secretary of State.

MONSIEUR: Votre excellence m'ayant paru le trouver bon, j'ai l'honneur de lui adresser ci-joint quelques remarques sur les réclamations avancées par le consul des Etats-Unis à Gènes relativement au transit du tabac, par les états Sardes; en la priant de vouloir bien avoir le bonté d'y jeter un coup-d'œil quand elle jugera à propos de s'occuper de cette affaire.

Je m'empresse en attendant d'offrir à votre excellence l'hommage de mon respect.

CT. DE COLOBIANO.

WASHINGTON, le 6 Juin, 1840.

MEMORANDUM.

Le gouvernement Sarde a concouru avec plaisir à la conclusion du traité de commerce qui lui fut proposé par les Etats-Unis, dans la vue de donner, autant que possible, de l'authenticité à ses rapports avec ces contrées, et dans l'espoir que la garantie formelle du principe de réciprocité, qui en est la base, donnerait aux transactions commerciales des deux pays tout l'activité, tout le développement dont elles sont susceptibles.

La Sardaigne, dont le pavillon se trouvait déjà, par le fait, très favorisé dans les ports de l'Union, ne vint par ces nouvelles stipulations qu'à confirmer sa position, sans obtenir le moindre avantage dont elle n'eût déjà joui auparavant. Cependant le transit du tabac par les états Sardes était vivement sollicité par l'agent Américain, et il ne se trompait pas sur l'avantage immédiat que le commerce des Etats-Unis en retirerait—la preuve en est dans l'impressement avec lequel la spéculation en a profité; mais la vente du tabac étant, dans les états Sardes, une réserve du gouvernement, il devait craindre les inconvéniens assez graves auxquels pouvait donner lieu un fort et consécutif passage du cet article, le plus sujet de tous à la fraude et à la contrabande; cependant, la clause qui en autorise le transit fut convenue, mais avec quelques conditions qui mettaient à couvert les intérêts de l'administration: et il fut ainsi grévé de certains frais, destinés à balancer ceux que la régie est dans la nécessité du faire pour se garantir de la fraude; étant bien naturel et *très* juste, que ne jouissant d'aucune avantageuse réciprocité de cette concession, le gouvernement prit soigneusement ses mesures pour qu'au moins elle ne lui apportât aucun préjudice. Le montant de ses frais ne fut pas fixé, et il ne pouvait pas l'être; la fraude se déguisant sous mille formes, les précautions pour s'en défendre ne sauraient être limitées: cette latitude, d'ailleurs, peut seule fournir au gouvernement le moyen de maintenir ce genre de trafic dans la sphère d'honnêteté qui, à la fois, garantit le progrès de la spéculation et assure les intérêts de l'administration.

La clause, dont il s'agit, a été rédigée dans un sens très clair, ne laissant aucun doute sur la marge que l'administration désire et doit avoir, cependant malgré la précision de la phrase, et l'esprit qui l'a dictée bien facile à apprécier par ceux qui sont sur les lieux et dans ce genre de commerce, monsieur le consul des Etats-Unis à Gènes a vivement réclamé contre les frais auxquels une expédition en transit a été assujettie, qui pourtant ne sont que ceux en usage pour de pareilles opérations eventuelles, et déjà ayant en lieu dans plusieurs autres occasions. Les remarques de ce fonctionnaire concernant les frais de précaution, dont il croit pouvoir assigner le montant, pour ainsi caractériser le surplus de véritables droits qui seraient perçus sur la marchandise, sont pour le moins très hazardeuses et certainement inexactes; les précautions contre la fraude ne sont pas et ne doivent pas être entièrement connues, et son calcul à cet egard ne peut être que très incorrect.

Quoiqu'il en soit ces frais pourront cependant être diminués, et ils le seront; des changemens notables dans les localités vont rendre la surveillance plus facile et plus économique, et la spéculation venant à prendre un type constant, le service pourra être établi d'une manière moins coûteuse qui ne l'a été jusqu'ici pour des occasions eventuelles et rares.

Loin de vouloir abuser de la latitude que donne à l'administration le sens indéterminé de la phrase, et vouloir rendre ainsi le transit une con-

cession illusoire, le gouvernement Sarde a au contraire l'intention d'aplanir et de faciliter autant que possible cette grande voie à la spéculation, mais absolument il ne peut se prêter à aucune interprétation sur le sens de l'article en question, ni faire droit pour le cas actuel, aux réclamations de Mr. le consul.

Il est fâcheux qu'avant de commencer son opération ce fonctionnaire n'ait pas cherché à s'éclairer sur le montant des frais auxquels elle allait être assujettis puisqu'il est patent, par la lettre du traité, qu'il en existe sans avoir été fixés ou déterminés.

Translation of a letter from Count Colobiano, chargé d'affaires of Sardinia, accompanying his memorandum.

WASHINGTON, June 6, 1840.

SIR: I have the honor to address you, herewith, as you appeared to consider that I might with propriety do so, some remarks upon the complaints brought by the consul of the United States at Genoa, relative to the transit of tobacco through the Sardinian states; and to request that you will have the kindness to cast your eye over them whenever you may see fit to take up that matter.

In the mean time, I have the honor to offer you my respects, &c.

COUNT DE COLOBIANO.

To the Hon. JOHN FORSYTH, *Secretary of State.*

Translation of a memorandum addressed by the chargé d'affaires of Sardinia, with his letter of June 6, 1840, to the Secretary of State.

The Sardinian government acceded with pleasure to the conclusion of the treaty of commerce proposed to it by the United States, with the view of giving as much authenticity as possible to its relations with these states, and under the hope that the formal guaranty of the principle of reciprocity, which is the basis of that treaty, would communicate to the commercial transactions of both countries all the activity and advancement of which they are susceptible.

Sardinia, the flag of which was already in reality highly favored in the ports of the United States, did nothing more by these new stipulations than confirm its position, without obtaining the slightest advantage which had not been previously enjoyed by it. The transit of tobacco through the Sardinian territories was, however, solicited urgently by the American agent, and he was not mistaken with regard to the advantage which the commerce of the United States would immediately derive from it, as the eagerness of speculators to avail themselves of it has proved. But the sale of tobacco in the Sardinian states being reserved to the government, there was reason to fear that serious inconveniences might be occasioned by the constant passage of large quantities of this article, which is more liable than any other to be made the object of fraud and smuggling; nevertheless, the clause by which the transit is authorized was agreed on, but, under certain conditions, intended to secure the interests of the admin-

istration; and it was charged with certain expenses for the purpose of balancing those which the *Regie* is under the necessity of incurring in order to guaranty itself against fraud—it being very natural and just that the government, which derived no advantage in return for this concession, should take such measures as might protect itself from any injury in consequence of it. The amount of these expenses was not fixed, and could not have been fixed. As fraud disguises itself under a thousand shapes, the precautions necessary for defence against it cannot be limited. This liberty, moreover, alone can give to the government the means of keeping this species of trade within the bounds of honesty, securing, at the same time, the advancement of the business and the interests of the administration.

The clause in question was drawn up clearly, leaving no doubt as to the powers which the administration wished to have and ought to have. However, notwithstanding the precision of the terms, and the spirit which dictated them, easily understood by those on the spot and acquainted with that species of trade, the consul of the United States at Genoa has protested urgently against the expenses incurred upon the transit of a quantity of tobacco, which are, nevertheless, no more than those usual in such cases, or than those already paid on several other occasions. The remarks of the consul respecting the precautionary expenses, the amount of which he conceives that he can estimate, for the purpose of showing that the surplus is a real duty levied on the goods, are, to say the least of them, inconsiderate, and are certainly incorrect; the precautions against fraud are not and could not have been fully known, and his calculations on the subject cannot be otherwise than very inexact.

However that may be, these expenses may be diminished, and they will be diminished. Changes of places will render supervision more easy and less expensive; and as the business puts on a regular form, the necessary attention will be less costly than it has hitherto been, in consequence of the rareness and uncertainty of the occasions.

The Sardinian government, so far from abusing the liberty given to the administration by the undetermined character of the words, and thus rendering the transit an illusory concession, intends, on the contrary, to facilitate and open, as much as possible, this grand channel of business; but it cannot positively adopt any interpretation of the sense of the article in question, nor admit the demands made by the consul upon the case in question.

It is to be regretted that the consul, before beginning his commercial adventure, did not endeavor to obtain information as to the amount of the expenses to which it would be subjected; since it is clear, from the terms of the treaty, that there were to be expenses, although they were not fixed or determined.

Mr. Forsyth to Count Colobiano.

DEPARTMENT OF STATE,
Washington, June 10, 1840.

SIR: I have the honor to acknowledge the receipt of your note of the 6th instant, enclosing a memorandum of the views of your government respecting the treaty recently concluded between our respective countries;

and especially that article in it which permits the transit, free of duty, of unmanufactured American tobacco across the territory of Sardinia. I communicate to you, enclosed, for your information and that of your government, a paper explaining the light in which, upon full consideration, the subject is viewed by the President.

I avail myself of the opportunity to tender you assurances of my distinguished consideration.

JOHN FORSYTH.

COUNT COLOBIANO,
Chargé d'Affaires of Sardinia.

MEMORANDUM.

In the conversations between Count de Colobiano and Mr. Forsyth on the subject of the transit trade in unmanufactured American tobacco across the territory of Sardinia, under the 14th article of the treaty of the 26th November, 1838, Count de Colobiano stated that the duty of two francs per metrical quintal levied upon that trade, and of which the United States complain as being an infraction of an express stipulation of the treaty, is intended to meet the expense of the necessary measures of precaution for the prevention of fraud, over and above those paid by the owners or consignees of the goods under the custom-house regulations of the port. If the Sardinian government is put to other expenses for the prevention of fraud, which, from their nature, are unknown to the consul, and justly chargeable to the transit trade, under the terms of the treaty, no objection to their being paid can be interposed on the part of the United States; but they cannot admit that the treaty, as it stands, authorizes the imposition of a duty to cover them. The treaty expressly stipulates that the tobacco shall pass free of transit duty, and that transit duty shall not be re-established unless rendered necessary by peculiar circumstances or considerations, and on the articles when directed to particular points of the inland frontier; and in that case the duty is not to be re-established unless six months' previous notice is given.

What other construction can be put upon this clause, but that all transit duties were done away with by the treaty, and that they were not to be re-established, except on the condition of six months' notice? It is true that the right is reserved to the Sardinian government to impose a charge for the purpose of protecting its revenue against fraud; but in that case the charge must be the exact amount actually expended for the purpose referred to. If it falls short of that amount, the Sardinian government does injustice to itself; if it exceeds it, and any part of the amount collected inures to the benefit of the Sardinian treasury, the stipulations of the treaty are infringed. Sardinia has no right, under the agreement, to commute the charge, or levy a duty in lieu of it, even though such duty should fall short of the expense actually incurred.

The President is anxious that the diplomatic and commercial relations between the two countries should not, at the outset, be embarrassed by differences as to the meaning of engagements so recently entered into in a spirit of perfect friendship, and for the common advantage of the parties;

but he cannot agree to any departure from the true meaning of treaty stipulations as clearly laid down as language will allow.

Under the instructions which he has caused to be given to the chargé d'affaires recently appointed to reside as the representative of the United States in Sardinia, the foregoing views are to be communicated to her government, with propositions for the adjustment of the difference which, it is believed, will lead to the attainment of that object.

Extract of a letter from Robert Campbell, esq., United States consul at Genoa, to the Secretary of State, dated 20th December, 1838.

"You are no doubt informed that Mr. Niles, after having been for some time at Turin, followed the court and ministers to this place, where he succeeded in concluding a treaty of commerce with his Sardinian Majesty, and which, if ratified, will, there is every reason to believe, tend considerably to enlarge the intercourse between the two nations. In the discussions which may arise on the expediency of ratifying this treaty, it might, perhaps, be well to allude to the suspense of the differential duties, as above noticed, for so long a period, and which, by many on this side, is considered as the first step to doing away altogether with the system.

"During the residence of Mr. Niles at this place, I was of course in constant communication with him, furnishing such details as he stood in need of on several of the articles of our import as well as export, and also giving such general information as circumstances required."

Extract of a letter from Robert Campbell, esq., United States consul at Genoa, to the Secretary of State, dated 31st July, 1839.

"Since the publication of the treaty in the Piedmontese Gazette, I have had a good deal of correspondence with various of the public offices for the purpose of carrying into effect the alterations required in the tonnage duty, pilotage, harbor dues, and duty on spirits. All these are now in order; others, however, are still in suspense, such as the regulations to be adopted by the custom-house for securing the regie against fraud in the transit of the leaf tobacco, and the system to be pursued in measurement of vessels for ascertaining the tonnage. I shall endeavor to get the former established so as not to create unnecessary expenses; for the regulation of the latter, there are an office and persons here regularly appointed for the measurement of all vessels, as well native as foreign, and on the measurement so taken the tonnage duty is paid.

"The English vessels form a solitary exception to this rule; these are charged on their register tonnage, by certificate from their consul. This custom had its origin at the time the English were in possession of Genoa, and the harbormaster consequently a native of that country, and it has been continued from sufferance ever since. Now, as the ninth article of our late treaty implies that the Americans are to enjoy all the facilities granted to the most favored nations, I applied to have our vessels put on

the same footing as the English: the answer was, that the article I had quoted referred to favors which might be subsequently granted, whereas the English had for many years back enjoyed the privilege in question. The answer is correct, looking only to the letter, but is not, I conceive, in accordance with the spirit of the treaty, which implies that the United States are to possess all the advantages of the most favored nations.

"I had submitted these details to the consideration of Mr. Niles, requesting his interference with the authorities at Turin; but being on the eve of his departure for Paris, he could not, as he has always done most efficiently on former occasions, take up the point in question: he was of opinion that I was borne out in my view of the case by the spirit of the treaty, and that I ought not to allow the matter to drop."

Mr. Campbell to Mr. Forsyth.

CONSULATE OF THE UNITED STATES OF AMERICA,
Genoa, November 2, 1839.

SIR: Enclosed is duplicate of No. 18, 31st July last, since when I have not been favored with any communication from the Department of State.

From the contents of my last despatch, you will have seen that I had had some correspondence with the authorities here on various matters arising out of the treaty of commerce concluded in November last, and that, of these, what related to the measurement of vessels as well as to the transit duty on leaf tobacco were still unsettled.

In respect to the system to be adopted in the measurement of our vessels, I consider as satisfactory the view taken of it by Count Solar de la Marguerite, the secretary of foreign affairs, in his letter to me of September 7; a translation of which, marked A, I have the honor to enclose.

He proposes to demand of the British government whether it be willing to grant to Sardinian vessels the facilities possessed here by the British shipping. If the answer be in the negative, then the advantage enjoyed at present by the English vessels will cease, and they will be placed on the same footing as the Americans, and all other nations.

Should, on the other hand, the answer be in the affirmative, and a right be thus established by reciprocity, then will our vessels enjoy the same, as entitled to all the advantages possessed by the most favored nations.

The minister of finance, it appears, by further communications from Count Solar de la Marguerite, is not disposed to give up the transit duty on leaf tobacco, as you will see from the enclosed translation of his letters of 13th September and 19th October, marked B *a b*.

I therefore considered it to be my duty to address to him a fresh application on this point in date of 26th October; of which a translation is also enclosed, marked C.

I there demand that the 598 casks of tobacco, which had arrived at this port under faith of the treaty, be relieved from this duty, as well as all others which may come in before the merchants of the United States are made aware of the interpretation, which the government here wishes to apply to the article 14, and which I hold to be in contradiction to the letter of the treaty of 26th November last.

While taking my stand, however, on the letter of the treaty, in order to

establish an exception in favor of the cargoes which have just arrived or may be on the way, I cannot help feeling that the basis of the treaty is reciprocity, and that we cannot well claim for the vessels of the United States an exemption from duties to which the Sardinian flag is subject.

In conformity with the concluding paragraph of Count Solar de la Marguerite's letter above referred to, in his words, as I cannot find others to express the matter with more brevity or clearness, "I avail of this opportunity to inform you, and through you the American merchants, that those who, in virtue of the 3d article of the convention of the 26th of November, desire to profit by the differential duty established upon certain articles in favor of Sardinian vessels, should conform to the rule prescribed to his Majesty's subjects by the decree of the chamber of commerce of the 25th September, 1825, by proving that the articles in question have been shipped at the place of origin, and that they are brought hither by the vessel on board of which they have been first shipped; such proof to be established by the production of a special certificate from the Sardinian or American consul, or the consul of any other nation resident at the port of loading; and in case of the 'acts of princes' preventing the possibility of the goods being brought direct to the Sardinian states, a consular certificate to that effect must be produced from the port where the vessel may have been obliged to touch. These formalities being scrupulously required from the subjects of the King, the American merchants cannot expect to be exempted therefrom.

"Nevertheless, as they have not been specified in the convention, especial regard will be had towards American vessels the captains of which may not know that such formalities are necessary, as has indeed been already evinced in the case of Captain Paty, who brought a cargo of rum to Genoa in the month of May last."

The articles referred to in the decree of the chamber of commerce of 25th September, 1825, as enjoying the differential duty, are specified in the accompanying schedule marked D.

I shall be happy to receive such instructions as may be considered necessary for my regulation in the matters above set forth, and take the liberty of suggesting that they be furnished with as little delay as possible.

Until they come to hand, I shall persist in demanding an exemption from the transit duty on leaf tobacco imported by vessels of the United States.

I have the honor to be, sir, your obedient servant,

ROBERT CAMPBELL.

HON. JOHN FORSYTH,
Secretary of State.

—
A.

TURIN, September 7, 1839.

SIR: After the receipt of the letter which you addressed me, under the date of 3d August, I lost no time in communicating to the minister of finance that part of it which relates to the transit of tobacco.

I deferred, however, writing to you until I should receive his reply;

but now that you address me a second time upon the same subject, I shall lose no time in again writing to the minister, and so soon as I know his decision, I shall not fail to inform you thereof.

With respect to the measurement of vessels, I am assured that British vessels cannot claim any *right* upon the subject; and as regards the facilities which they enjoy *in fact*, I shall make application to the British government, in order to be satisfied that equal advantages are allowed to Sardinian vessels in British ports.

Should this not be agreed to, it must necessarily cease in our ports; but if reciprocal advantages are admitted, the same shall be granted to American vessels in conformity to the treaty of 26th November, 1838, and of which I shall take care to inform you.

Accept the renewed assurance of my perfect consideration.

SOLAR DE LA MARGUERITE.

To Mr. CAMPBELL,

Consul of the United States of America, Genoa.

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B a.

TURIN, September 13, 1839.

SIR: I had the honor to receive the application which you addressed to me in favor of Messrs. Alenyn & Kuvel, consignees of 598 hogsheads of tobacco, lately arrived at the port of Genoa, which I immediately made known to the minister of finance, who will give the necessary orders in accordance with the 14th article of the treaty; and so soon as I receive his reply, I shall transmit it without delay to you.

Although this business belongs to another department, you have done right to address your letters to me, which I request you will continue to do in all cases when the relations between the two states form the subject of correspondence.

It is the most regular channel for such communications, which I shall always receive with pleasure, and reply to as promptly as possible.

I take this opportunity to renew the assurances of my perfect consideration.

SOLAR DE LA MARGUERITE.

To Mr. CAMPBELL,

Consul of the United States of America, Genoa.

—
B b.

TURIN, October 19, 1839.

SIR: I have just received a letter from the minister of finance, upon the subject of the transit of leaf tobacco arriving from the United States of America in American ships, through the states of his Majesty, upon which you did me the honor to address me on the 12th of September, as well as in your three preceding letters.

I now hasten to fulfil the promise I made you, by giving a distinct reply, not only as regards the duty of two francs per metrical quintal to which such tobacco is subject, but also relative to the measures necessary to be taken for the prevention of smuggling.

And first. The above duty being applicable to the transit of such tobacco even if imported in Sardinian vessels, it would be equally contrary to the letter and to the spirit of the convention of the 26th November, were any exceptions to be made in this respect in favor of American merchants.

Notwithstanding this, however, the minister of finance informs me that, with the view of giving every possible encouragement to the commercial relations between the two states, he means soon to propose a reduction upon this article of the tariff.

With respect to the proposition you make of substituting a simple card to be tied around the package, secured by the leaden seal of the custom-house, for the canvass wrappers in which such packages are at present enveloped, such could not be adopted, as a measure of precaution, with effect, unless by piercing every stave in the casks for the purpose of introducing the cards, which it does not appear could be conveniently done; but the minister of finance informs me that the council is now actually occupied in devising some means, at once more simple and less expensive, of combining the interests of commerce with the rights of the custom-house.

As regards your suggestion that the tobacco should be allowed to pass at once to its destination in the interior, without having to undergo a second examination before quitting the town, I must observe, that it would not only entail additional trouble upon the officers of the custom-house, but that it is also very doubtful whether the civic authorities of Genoa would permit the transit through the city without the accustomed interior examination.

The minister of finance therefore thinks that it is not desirable to make a special exception in favor of this article, and that it is better to wait until the new arrangement for facilitating the trade with the interior be perfected, which it will be before long.

I avail of this opportunity to inform you, and through you the American merchants, that those who, in virtue of the 3d article of the convention of the 26th of November, desire to profit by the differential duty established upon certain articles in favor of Sardinian vessels, should conform to the rule prescribed to his Majesty's subjects by the decree of the chamber of commerce of the 25th of September, 1825, by proving that the articles in question have been shipped at the place of origin, and that they are brought hither by the vessel on board of which they have been first shipped; such proof to be established by the production of a special certificate from the Sardinian or American consul, or the consul of any other nation resident at the port of loading; and in the case of the "acts of princes" preventing the possibility of the goods being brought direct to the Sardinian states, a consular certificate to that effect must be produced from the port where the vessel may have been obliged to touch.

These formalities being scrupulously required from the subjects of the King, the American merchants cannot expect to be exempted therefrom; nevertheless, as they have not been specified in the convention, especial regard will be had towards American vessels the captains of which may not know that such formalities are necessary, as has indeed been already evinced in the case of Captain Paty, who brought a cargo of rum to Genoa in the month of May last.

Accept the assurances of my perfect consideration.

SOLAR DE LA MARGUERITE.

To Mr. CAMPBELL, *Consul, &c., &c.*

GENOA, *October 26, 1839.*

SIR: I have the honor to acknowledge the receipt of the communication which your excellency addressed to me under date of the 19th instant, by which I perceive, with great regret, that the minister of finance persists in his determination to enforce the transit duty on leaf tobacco, which is confirmed by the letter of the Count Quarelli to Mr. J. P. Pescatori, owner of the 598 hogsheads of tobacco lately arrived, and of which the copy lies before me.

Having again perused with attention the 14th article of the treaty, I not only do not find any mention of the transit duty, but, on the contrary, I see that the articles therein specified, of which leaf tobacco is one, are allowed a free transit through the states of his Majesty, without being subject to any sort of duty, except such as are requisite to cover the charges incurred by the precautions necessary to be taken against fraud and smuggling.

Mr. Pescatori also declares that he undertook his late operation not only upon the faith of the treaty itself, but also upon the verbal assurance of Mr. Niles at Paris, that leaf tobacco would be allowed to pass freely through the states of his Majesty, exempt from any duty whatever. And, certainly, my interpretation of the treaty, had it been demanded, would have been to the same effect.

It is therefore clear that Mr. Pescatori acted under the faith and assurance of one of the subscribing parties to the treaty; and as not only that individual, but other merchants who may have undertaken similar operations, would suffer considerable loss, instead of enjoying the advantages they expected from the literal interpretation of the treaty, I, with the view of protecting American interests whilst the interpretation of the article in question is left to the decision of the two governments, request the good offices of your excellency with the minister of finance, to the end that his decision upon the 14th article be suspended in as far as regards the 598 hogsheads of tobacco in question, as well as any other operations founded upon it, which may be actually in course; whilst I, on the other hand, in order to prevent future misunderstandings on the subject, will take care to inform my government, without loss of time, of the sense in which the article alluded to is construed by the minister of finance; and this concession I hope he will the more readily consent to, as it will be acting in conformity to the article itself, by which the government of his Majesty engages to notify to the government of the United States any change that it may be thought necessary to make, six months before its being put into execution.

In regard to the envelope of the hogsheads, as it is the opinion of the minister of finance that no change can be made at the moment in the present system, I shall of course await the ulterior decision whenever it be pronounced, and by which the interest of the custom-house, with that of the merchants, may be combined; and this applies equally to the facility of transit of goods through the states of his Majesty, which will be availed of when the new road is finished.

I shall lose no time in making known to the American merchants that part of your letter wherein you specify the documents required in order to enjoy the benefit of the differential duties in the different articles as established by the decree of the tribunal of commerce of the 25th of September, 1825; and I shall also point out the favorable consideration which will be

given to those American vessels whose captains may not have been acquainted with the above regulations at the time of sailing.

In the meantime I beg you to accept the assurance of my perfect consideration.

ROBERT CAMPBELL.

To his Excellency Count SOLAR DE LA MARGUERITE,
Secretary for Foreign Affairs, Turin.

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D.

Schedule of articles subject to the differential duties in the states of his Majesty the King of Sardinia, and paying one-third less duty when imported by vessels under the Sardinian flag.

SPIRITS.—Rum, brandy, whiskey, gin, liqueurs of all sorts, wine in casks, wine in bottles.

Olive oil.

FLOURS.—Wheaten, Indian corn, chestnut, rice.

Biscuit.

GRAINS.—Wheat, barley, oats, rye, maize, rice.

Pulse beans, peas, lentils, potatoes, sago, macaroni, tapioca.

Mr. Campbell to Mr. Forsyth.—Extract.

CONSULATE OF THE UNITED STATES OF AMERICA,
Genoa, December 14, 1839.

SIR: I had the honor to address you on the 2d ultimo, as per enclosed duplicate, and to which craving reference, I have now further to call your attention to the translated copies of an additional letter from the Count Solar de la Marguerite regarding the transit duty on leaf tobacco, together with my reply on the same subject. I recommend these to your consideration, and, as the point at issue cannot well be settled till fresh instructions are received, I take the liberty of again suggesting that these be given with as little delay as possible.

In the course of the discussion which is now in dependance with the minister for foreign affairs, and to which our present correspondence refers, I felt much the want of a copy of the treaty on which I could place full reliance. I have in my possession only the French version taken by one of my people from the Piedmontese Gazette; and my impression is, that the 14th article, as given in English, would have enabled us to make out a better case. Be this as it may, it is, I conceive, absolutely necessary that there should be in the consulate a copy of the treaty in English properly certified, to which reference can be made on all occasions when this may be required.

Hon. JOHN FORSYTH,
Secretary of State.

—
[Translation.]

GENOA, *November 13, 1839.*

SIR: As the letter which you did me the honor to address to me under date of the 26th of last month still expresses an opinion different to mine,

as regards the construction of the treaty of 26th of November last, I think it my duty to give such explanations as may set the matter at rest.

The permission for the transit of certain articles, the sale of which the government reserves to itself, and of which leaf tobacco is one, has always been accorded with great caution, with a view to the prevention of smuggling, and only given to those merchants whose moral character offered a sure guaranty that such an indulgence would not be abused; but even in such rare cases, whilst the transit of the article was permitted, no exemption from the established duty was allowed—a distinction which it is very necessary to keep in mind.

By the 14th article of the treaty, the necessity of asking a favor has been dispensed with, and the transit of leaf and unmanufactured tobacco through the states of his Majesty is established as a right; but, in so doing, it was never understood that the article should enjoy any exemption from the usual duty. On the contrary, it is stated in the treaty itself “that certain articles” (of which tobacco is understood as one) “shall not be subject to any kind of duty which is not equally chargeable upon the transit of the same articles when imported by Sardinian vessels, except such as are necessary to cover the expense incurred by the precautions taken to prevent fraud and smuggling.”

The duty therefore upon leaf tobacco coming from the United States of America, and to which you object, is levied equally upon that imported by Sardinian vessels; although, after all, it is not a transit duty, but a tax intended to cover the expenses attendant upon the precautions before referred to as indispensable.

These explanations will appear, I doubt not, satisfactory, for you are too enlightened to suppose that it was ever intended to grant any privileges in favor of the trade of a foreign nation, which were not extended to our own subjects. The treaty is founded entirely upon the principle of equality, and it would be subversive of its intention to grant to American merchants the exemption from a tax to which Sardinian merchants are subject.

From all that precedes, you will perceive, sir, that there is no question of any intended change of which it would be necessary to give six months' notice to the American government, because we are only referring to an established arrangement, which is perfectly consonant to the precise meaning of the treaty, and conformable to the spirit in which it was made; and if any change upon this point should take place, it will probably be a favorable one, by a reduction of the very duties in question—a measure which will be equally extended to Sardinians and Americans, who will be always, as they are now, considered on the same footing; and more than this cannot be expected.

With regard to Mr. Pescatori, had he applied to the Sardinian government for the purpose of solving any doubt he might have entertained upon the meaning of the treaty, he would have received a positive answer, and it is to be regretted that he did not do so before entering upon his speculation.

I beg upon this occasion to renew the assurance of my perfect consideration.

SOLAR DE LA MARGUERITE.

To Mr. R. CAMPBELL,

Consul for the United States of America, Genoa.

[Translation.]

GENOA, *November 26, 1839.*

SIR: The additional explanations with which your excellency has favored me in your letter of the 13th instant, in regard to the 14th article of the treaty of commerce of 26th November, 1838, have had by best attention.

I therein observe, that the liberty of transit through the states of his Majesty, granted to certain articles the sale of which the government reserves to itself, and of which tobacco is one, has been always restricted to those merchants whose character was considered to be an undoubted security that the indulgence would not be abused. After your excellency's assurance, I cannot, of course, have any doubt that such has been the rule of the government, but I must remind your excellency that this fact was necessarily unknown to me; and as in the 14th article, above referred to, no allusion is made to any such distinction, it follows that it must have been equally unknown to the American merchants.

As, however, your excellency admits that the 14th article annuls the necessity of asking any such favor for the future, the point above referred to ceases to be of importance, and leaves us free to return to the subject of the duty, upon which I am sorry to be still obliged to say that my opinion remains unchanged.

The duty, or, as your excellency is pleased to denominate it, the tax of two francs per quintal, and which the minister of finance persists in claiming a right to exact, appears to me to be nothing else than a regular transit duty, which enters directly into the royal treasury for the benefit of his Majesty's government. The expenses entailed upon the merchandise by the necessary precautions against fraud are totally apart; they consist in the cost of the cloth and double envelope, the charges for cutting and sewing the same, and the cost of the cord to which the leaden seal is attached, the whole amounting to f.6.20 per hogshead, and which is paid by the merchant to his own people, whilst he only pays 50 centimes, or half a franc, on each seal to the officers of the custom-house for their attendance, and even this small sum, being regarded as their special fee, does not go to the treasury of the state.

Arguing, therefore, from these facts, I think your excellency will admit that I am quite justified in saying that the duty or tax of 2 francs per quintal is entirely separate from any charge arising out of the precautionary measures against fraud; and as, by the 14th article of the treaty, the article of tobacco is exempted from all duty, your excellency will pardon me if I think it still necessary to repeat my request that you will be so good as to support my demand to the minister of finance, that the exaction of the above specified duty of 2 francs per quintal be suspended until an answer be received from Washington, by which I may know if the government of the United States be disposed to consider the article in question as understood to the letter, or taken in the more ample spirit of reciprocity.

Accept, I beg you, the assurance of my perfect consideration.

ROB. CAMPBELL.

To his Excellency the Count SOLAR DE LA MARGUERITE,
Principal Secretary for Foreign Affairs, Genoa.

Mr. Crokot, acting consul, to Mr. Forsyth.—Extract.

UNITED STATES CONSULATE,
Genoa, 15th May, 1840.

* * * * *

The United States ship Ohio arrived here on the 8th instant from Spezia, and Commodore Hull having kindly promised to forward the present letter for me, I venture again to address you in order to solicit your attention to the question still pending between the custom-house here, and the owners of the valuable cargo of tobacco arrived in September last by the ship Forrester, from New Orleans. You will have observed by the last letter addressed from this consulate to the minister for foreign affairs, a translation of which has been handed to you, (on 31st [14th] December last,) that his Majesty's government was there requested to suspend the exaction of the transit duty until an answer could be received from Washington as to the interpretation which you are disposed to put on the fourteenth article of the late treaty of commerce. From the English version of that treaty, (a copy of which I had the honor to receive from you a short time since,) it appears perfectly clear that no tax whatever can now be laid by the Sardinian government on American leaf tobacco passing in transitu through its territories, "other than such as may be required to meet the expenses of the necessary precautions against smuggling;" and that these expenses are entirely distinct from the transit duty which is now attempted to be levied, is, I think, satisfactorily shown in the same letter above referred to. I therefore presume that it is not your intention to consent that the duty in question be exacted on tobacco, the produce of the United States, passing through this country; but in such case I would venture to suggest that this decision be made known with as little delay as possible, and that some understanding be come to with the Sardinian government, as in the meantime this branch of commerce between the two countries cannot but suffer from the uncertainty, as plainly appears from the fact that not a single importation of tobacco has taken place from the States since the cargo per Forrester some eight months ago, and the parties engaged in the trade are most anxious that some decision should be come to. No further steps of course can be taken here, and I respectfully await your reply to know the view that you take of the subject.

Mr. Crokot, acting consul, to Mr. Forsyth.—Extract.

UNITED STATES CONSULATE,
Genoa, 10th July, 1840.

Being now at the usual period for transmitting the semi-annual return of shipping entered and cleared at this port, I have the honor to wait on you with this document as well as with the statement of fees during the six months ending on 31st ultimo. You will observe that the number of American vessels that have arrived here during these six months considerably exceeds the average number entered for several years back during the whole twelvemonth; and the same is the case with the tonnage and the value of the inward cargoes. I am inclined to attribute this partly to

the low price of colonials in the United States, which has forced shipowners to look chiefly to the markets abroad, and in part to the very large crop and low value of cotton, which has induced speculators on this side to give unusually large orders. No less than eight full cargoes of this article, you will see, have arrived direct from New Orleans. This increase in our trade under the American flag may, however, be regarded as in a great measure accidental, and is not, in my opinion, likely to be continued. Latterly the arrivals have been fewer, and there is not now an American vessel in port, while few or none are expected.

There have been no further arrivals in tobacco direct from the United States; and indeed, until the question respecting the transit duty on this article, which is still undecided, be finally settled, we cannot expect to see this branch of trade revive.

Mr. Crokot, acting consul, to Mr. Forsyth.—Extract.

UNITED STATES CONSULATE,
Genoa, 10th January, 1841.

I have now to enclose, as usual at this period, a statement of the American vessels entered at this port and cleared in the course of the last six months, as also a statement of the consular fees received up to the 31st ultimo. The arrivals of American vessels have continued, as in the beginning of the year, to be unusually numerous, which may perhaps in some measure be attributed to the late treaty of commerce, but I should be more inclined to refer it to other causes growing out of the channels which commerce in general has taken. Five cargoes of tobacco have been received from Richmond; and as this branch of trade appears to be assuming a certain importance, it becomes the more necessary that some determination be come to respecting the transit duty which continues to be levied by the government here.

